UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

## OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 967X

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

**Left Side**

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.
✓ Closing Letter
Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).
✓ APPROVAL OF DRILLING CONT.
✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

**Right Side**

✓ Project summary.

✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

✓ Operator's Final Report.

Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

Reviewer's Initials mb 1/24/57

7973

**DEFENSE MINERALS EXPLORATION ADMINISTRATION**
**CONTRACT ADMINISTRATION AND AUDIT DIVISION**

**REPORT OF REVIEW**

I have reviewed the Monthly Reports of:

Black Hawk Consolidated Mines Co.
P. O. Box 231
Silver City, New Mexico

pertaining to Exploration Project Contract No. Idm-2289, Docket DMA 967X, and including amendment No. 1 covering a project for exploration of Cobalt-Uranium, for the period April 11, 1952 to December 31, 1952.

My review included an examination of the Monthly Reports (Form DF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

1. The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

2. The major portion ($15,261.75) of the cost covered diamond drilling at rates specified in an approved subcontract.

3. The monthly reports were supported by documentary proof of the costs incurred under the contract.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $18,697.69 |
| Exceptions: | | |
| By DMEA Finance Officer | None | |
| Herewith (Schedule attached) | None | |
| Total Accepted Cost | | $18,697.69 |

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Sixteen Thousand Eight Hundred Twenty-Seven Dollars and Ninety-Two/100

- $16,827.92 -

is considered valid and proper.

Date: June 12, 1953

Donald T. Finch

Donald T. Finch, Auditor

FILE COPY
SURNAME:

Docket
Knouse
Chandler

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JUL 22 1953

Mr. Ira L. Wright, Vice President
Black Hawk Consolidated Mines Co.
P. O. Box 231
Silver City, New Mexico

Re: Docket No. DMA-267X (Cobalt and Uranium)
Contract No. Idm-239
Grant County, New Mexico

Dear Mr. Wright:

This is with reference to the subject Exploration Contract between your company and the Government.

The final audit of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $20,000.00 approved under the contract, the sum of $18,697.69 was expended, 90 percent of which, or $16,827.92, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article II of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

EKnouse/pla/db
7-22-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: A.F.Butler, Jr., Rm. 3206, GSA
J.O.Hosted, Rm. 3210, GSA
E.[illegible].Keiser, Rm. 3641
Mr. Knouse
Mr. Ellis
DMA Field Team, Region IV (2)

Government Copy
Cobalt, Uranium

No. 1

AMENDMENT OF CONTRACT: No. Idm-E289

Contract Docket No. DMA 967X, dated April 11, 1952, between the United States of America and Black Hawk Consolidated Mines Company is hereby amended as follows, effective as of the date of said Contract:

> Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200, under caption "Operating Equipment", subheading "To be rented", delete the word "None" and insert the following:
>
> 1 - Tractor bulldozer @ $10.00 per hour, plus transportation to and from the project. Estimated total cost - $100.00. Payment for the above will be effected from funds allocated to "Labor and Supervision".

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated June 12, 1952.

BLACK HAWK CONSOLIDATED MINES, COMPANY

By Oran L. Wright, Vice Pres.

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

May 20, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Approval of Diamond Drilling Contract between Black Hawk Consolidated Mines Company and E. R. Matheny, Docket DMA 967X, Contract Idm-E289.

Enclosed are the original and two copies of approval of the diamond drilling contract between Black Hawk Consolidated Mines Company and E. R. Matheny. Also enclosed are three copies of the contract.

Copies of the contract and the approval have been given to the Operator, the Fiscal Officer, Region IV, and copies have been retained for our files.

W. H. King
W. H. King

Enclosures

RECEIVED
MAY 28 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Government Copy
Cobalt Uranium

Contract No. ~~Idm~~-E289
Docket No. 967X

Contract dated January 29, 1952, between the Black Hawk Consolidated Mines Co. and E. R. Matheny, Diamond Drill Contractor, for carrying out certain specified work under the provisions of Exploration Project Contract Docket No. DMA-967X between the United States of America and the Black Hawk Consolidated Mines Co. is hereby approved.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay, under the provisions of Article 13 of the contract form.

Dated May 20, 1952

UNITED STATES OF AMERICA

By W. H. King
Executive Officer, DMEA
Field Team, Region IV

TEST BORINGS FOR DAM SITES, BRIDGES AND BUILDINGS

METALS, NON-METALLIC, COAL OR OIL STRAIGHT CONTRACT, RENTAL OR COST PLUS BASIS

# E. R. MATHENY, DIAMOND DRILL CONTRACTOR

**DIAMOND CORE DRILLING**

**512 West 7th Street**

SILVER CITY, NEW MEXICO

January 29, 1952

Mr. Ira L. Wright
108 West Yankee
Silver City, New Mexico

Dear Mr. Wright:

After our telephone conversation of this morning concerning The Black Hawk Mine of The Black Hawk Consolidated Mines in the Bullard Peak Mining District, Grant County, New Mexico, I have arrived at the following cost report on approximately 3,000 feet of drilling AX size cores. It being understood that the company would work over about 300 feet of old road.

I would furnish everything complete including water haul and use 2 diamond drills if required. The company is to furnish core boxes and sludge boxes for the samples.

0 feet to 700 feet ..... $5.00 per ft.
700 feet to 1000 feet ..... $5.25 per ft.

Yours very truly,

E. R. Matheny

E. R. Matheny

ERM:ip

ACCEPTED: Black Hawk Consolidated Mines Co.
by Ira L. Wright, Vice President

U. S. BUREAU OF MINES
MINING DIVISION
JAN 31 1952
TUCSON, ARIZONA

MF-200
(June 1951)

Docket No. DMA 967X
Commodity Cobalt
Uranium

Idm-E289

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S COPY

# EXPLORATION PROJECT CONTRACT [1]

It is agreed this 11th day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
Black Hawk Consolidated Mines Co.
P. O. Box 231
Silver City, New Mexico

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of New Mexico, County of Grant described as follows: [3]
Black Hawk claim No. 364; Silver Glance claim No. 366A; Surprise claim No. 367A; Chicago claim No. 771; Little Rhody claim No. 365A; Kent County claim No. 778; Cornucopia claim No. 770; Extension claim No. 772; all located in Sec. 21, T. 18 S., R. 16 W. in the Bullard Peak Mining District

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*b*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

3. *Exploration project.* The Operator, within Sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] Cobalt and Uranium; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] eight (8) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $18,000.00, which is 90 percent of the agreed estimated total cost of this project, $20,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Black Hawk Consolidated Mines Co
(Operator)

By Dean L. Wright, Vice Pres.

By J. H. Ewing Jr.
Regional Director, Region IV
U. S. Bureau of Mines

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

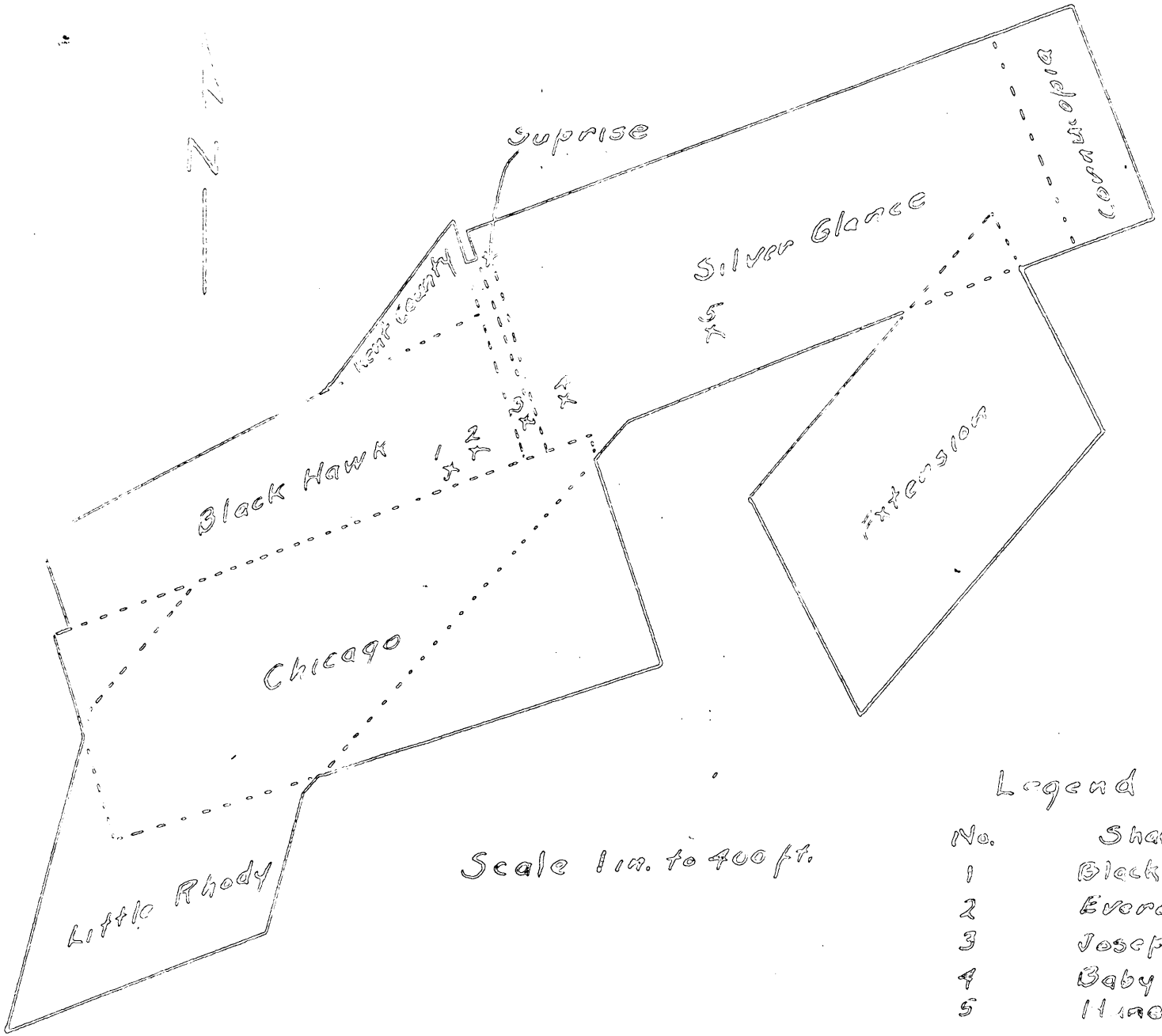


Fig. Claim map, Black Hawk Mine, Grant County, N. Mex., DMA 9674

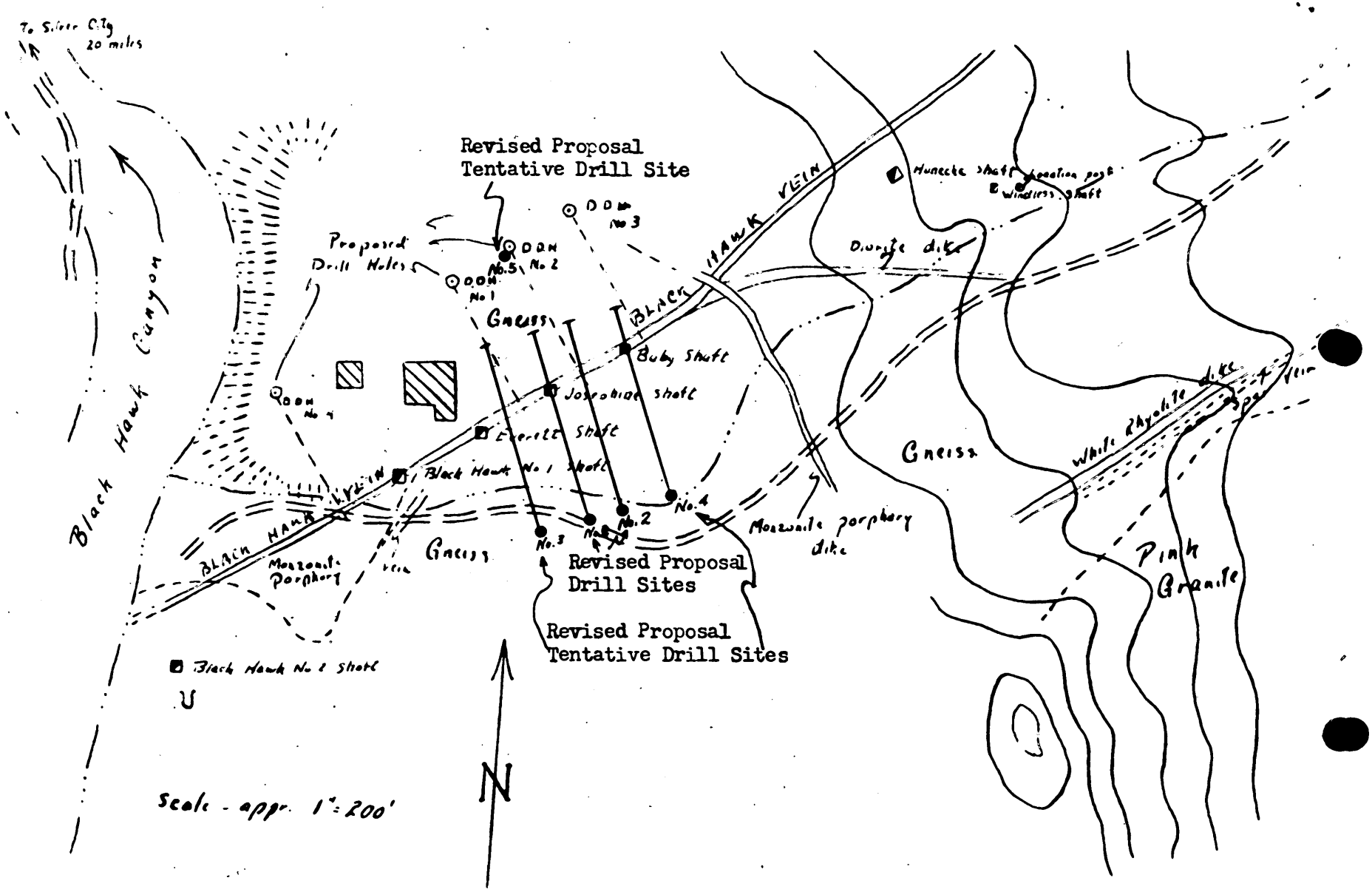


FIG. 2 -- GEOLOGIC SKETCH OF BLACK HAWK MINE, NEW MEXICO
DMA - 967X

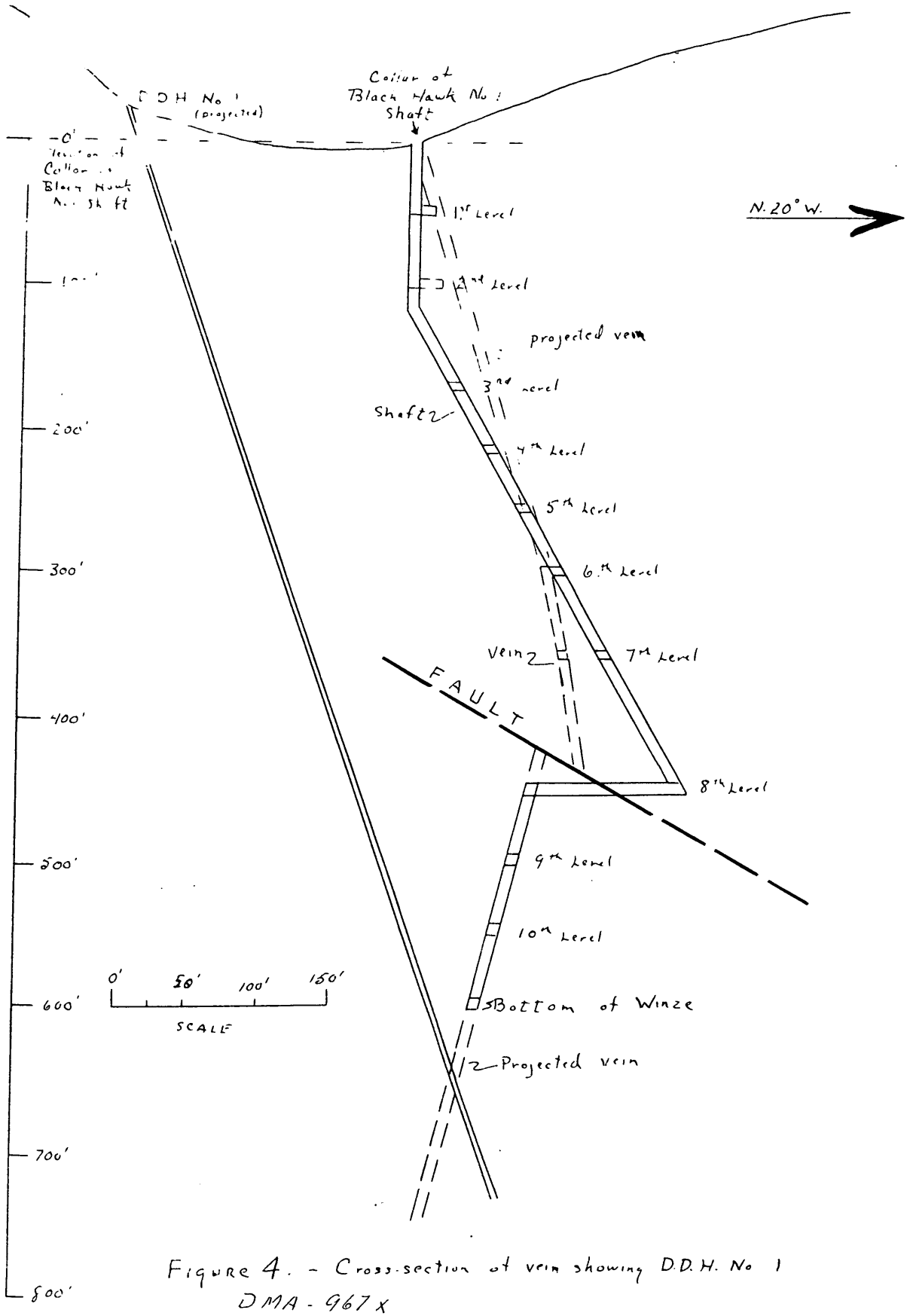


Figure 4. - Cross-section of vein showing D.D.H. No 1

DMA - 967 x

EXHIBIT A

Exploration Project

The project consists of drilling four or more diamond drill holes having an estimated total depth of 3,200 feet. Holes No. 1 and 2 will be drilled from points approximately 200 feet southeast of the outcrop of the vein. Each hole will be drilled on a bearing that is approximately normal to the strike of the vein and the inclination of each hole will be such that the vein will be intersected at about 650 feet vertically below the outcrop of the vein. The location, number, direction and depth of all drill holes subsequent to drill holes No. 1 and 2 are tentative and may be changed dependent upon the results of holes No. 1 and 2; provided that the locations, directions, and depths of all subsequent drill holes are acceptable to the DMEA representative.

The approximate locations of drill holes No. 1 and 2 and the tentative locations of drill holes Nos. 3, 4 and 5 are shown on the attached map. Also attached is a claim map and a map showing a cross-section of the vein at drill hole No. 1.

The estimated working time is five months.

The following costs are estimated:

| | |
|---|---|
| Labor and Supervision | $3,400.00 |
| Contract diamond drilling | 16,100.00 |
| Supplies | 500.00 |
| Total estimated cost of project - | $20,000.00 |

Fixtures and Improvements

None

Operating Equipment

To be rented:

None

To be purchased:

None

To be furnished by operator:

None

## Labor and Supervision

| | |
|---|---|
| 3 Laborers at $1.50 per hour* | $ 300.00 |
| 1 Engineer at $400.00 per month | 2200.00 |
| 1 Supervisor, half-time, $150.00 per month | 750.00 |

*The above hourly wage is based on an 8-hour day, 5-day week. Time and one-half is allowable for overtime.

| | |
|---|---|
| Compensation, insurance, payroll taxes | $150.00 |
| Estimated Labor and Supervision | $3400.00 |

## Contract Diamond Drilling

| | |
|---|---|
| Drilling from 0 to 700 feet; 2800 feet @ $5.00 per foot | $14,000.00 |
| Drilling below 700 feet; 400 feet @ $5.25 per foot | 2,100.00 |
| Total estimated cost of diamond drilling | $16,100.00 |

## Supplies

| | |
|---|---|
| Core boxes, sludge boxes | $200.00 |
| Assaying | 200.00 |
| Small tools | 100.00 |
| Estimated cost of supplies | $500.00 |

## Rehabilitation and Repairs

None

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

# APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 967 X

Date received 7-10-51

Participation

Black Hawk Consolidated Mines Co.
735 North Water Street
Milwaukee 2, Wisconsin

Name and address of applicant

Date July 5, 1951

FILL IN THIS BLOCK

Date of application March 5, 1951

Estimated cost $20,000.00

Mineral or metal Cobalt and Uranium

Percentage of Government participation 90%

Location of mine Bullard's Peak Mining District
Grant County, New Mexico

Date of filing MF-100 April 14, 1951

DMA Docket Number, if available 967 X

## INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 10 1951
LANDON F. STROBEL
Executive Secretary

## THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

## THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

| | *Tons per day* | *Grade or analysis* | *Cost per ton* | *Net value per ton* |
|---|---|---|---|---|
| (1) Mining | | | | |
| (2) Milling | | | | |
| (3) Shipped or sold | | | | |

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

## THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

## THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

## CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Black Hawk Consolidated Mines Co (Name of company) By Dra L. Wright (Signature of authorized official)

July 6, 1951 (Date) Vice President (Title)

**Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.**

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Questions Form MF-103
To be answered on separate typewritten sheets.

THE APPLICANT

The following questions were answered on Form NSRB-146:

1, 2, 3, 4 and 5.

6. No liens are against the property.

7. Not a Lessee.

8. Answered on Form NSRB-146.

9. $2,000.00

THE PROPERTY

10. (a) See list of mining claims and accompanying claim map.

(b) Exploration will be conducted within the boundary of the Black Hawk property.

11, 12, 13 and 14. Answered on Form NSRB-146.

15. Unable to answer.

16 and 17. Answered on Form NSRB-146.

18. See accompanying report by Walter Harvey Weed and sketch maps of underground workings.

19. Answered on Form MF-100.

THE EXPLORATION

20. Answered on Form MF-100.

21. We regard drilling results as not very satisfactory but as a preliminary step will be willing to contribute $2,000.00 or 10% of the cost of a drilling program of $20,000.00. Suggest this be done under the supervision of Mr. Gillerman of the U. S. G. S., who is now making a study of the area. The drilling could probably be completed in six months.

22. See Weed's report. Also reports sent in with MF-100. The U. S. Bureau of Mines has obtained evidence of uranium from pieces of ore on dumps at Black Hawk shaft, outcrop of vein near shaft and specimens of high grade ore from the Black Hawk shaft.

THE REQUIREMENTS AND COST

23. The most practical way of getting the drilling done will be by contract. It is believed drilling can be contracted at about $4.50 per foot. An additional 50¢ should be allowed for engineering inspection, sampling and logging. It is believed an expenditure of $20,000.00 will pay for approximately 4,000' of drilling.

NOTE: It is stated here that while the Black Hawk Company is willing to spend its share of the cost of drilling the property, not to exceed 10% of $20,000 or $2,000, it does not obligate itself to spend its share of sinking a shaft and doing lateral work which might cost in the neighborhood of $200,000 even should the cores obtained from

drilling be considered favorable by government geologists. This does not mean that it will not cooperate in such development, but that it does not wish at this time to commit itself in regard to further expenditures after results of drilling are obtained.

| NAME OF MINING CLAIM | SURVEY NO. |
|---|---|
| Cornucopia | 770 |
| Kent County | 778 |
| Black Hawk | 364A |
| Little Rhody | 364 |
| Silver Glance | 364A |
| Surprise | 267 |
| Chicago | 771 |
| Extension | 772 |

Total Acres 90.12

WALTER HARVEY WEED
Geologist and Mining Engineer
29 Broadway
New York City

# REPORT ON THE PROPERTIES

of the

# BLACK HAWK MINING AND MILLING CO.

# SILVER CITY, NEW MEXICO

By

Walter Harvey Weed, E.M.

WALTER HARVEY WEED
Geologist and Mining Engineer
29 Broadway
New York City

# REPORT ON THE PROPERTIES

of the

# BLACK HAWK MINING & MILLING CO.

## Silver City, New Mexico

**Prefatory Notes:-**

The following report is based upon an examination of the Black Hawk Mining and Milling Co.'s properties near Silver City, New Mexico made in October, 1918 and is written after revisiting old workings of the Black Hawk No. 1 shaft which had then been unwatered for my inspection down to the 9th level. I also saw the new work in the No. 2 shaft nearby and for the first time saw the No. 3 Black Hawk, or Silver Cell shaft.

My former preliminary report being based upon fragmentary data and written without seeing the deeper workings is entirely superseded by this report.

The property of the Black Hawk Mining & Milling Co. consists of two separate groups of claims known as the Black Hawk and Silver Cell tracts respectively and about thirty miles apart. Each group is described separately in this report.

## THE BLACK HAWK GROUP

**Location:-**

The Black Hawk group is situated in the Bullard Peak mining district, about 20 miles west of Silver City and 12 miles from Tyrone, Grant County, New Mexico. The place is accessible by automobile road from both places, the mine being about five miles up Saddlerock Canyon from the main Mogollon-Silver City stage road. A branch line of the Santa Fe railroad ends at Silver City and the El Paso & Southwestern runs to Tyrone, the Phelps-Dodge mining camp.

**Economic Conditions:-**

Mining conditions include an ideal climate, fair water supply, proximity to Deming and El Paso for general mining supplies and good local markets. Labor is available at the nearest towns. There is no local fuel supply and oil is hauled from the railway by trucks. The claims contain oak timber, but it is only useful for domestic fuel and

mine timbers. Transportation by auto truck is over a hilly road no better or worse than the average mountain road of the Southwest. The heavy thunderstorms of summer produce floods, or so-called cloudbursts of very brief duration. The elevation is about 6,000 feet but there is little snow and no really severely cold weather.

The country is hilly - part of an eroded plateau whose main drainage way, Saddlerock Canyon, is about 300 feet lower than the summit. The mine camp is alongside a broad "Wash", or creek channel and the mine is on the slope 50 feet or so above it. Bullards Peak, the dominant part of the region is about three miles away and Twin Peaks, two prominent hilltops, lie immediately west of the camp.

Geology:-

The region is an outlier of the Burro Mountain area and shows a broad expanse of rolling hills formed by an eroded plateau cut in a coarsely porphyritic gneiss whose big pink feldspar crystals and groundmass of dark biotite are characteristic. This rock is cut by a multitude of aplitic dikes of pale pink feldspar and quartz grading into pegmatite. An extensive intrusion of monzonite porphyry forms the White Hill with spurs and dikes of the same rock near the mine.

A pink granite and a dark colored quartz diorite occur near the Black Hawk mine, the former rock covering a considerable area in the higher ground to the south where it is bordered by a very prominent dike of white, dense, acidic rock, probably rhyolite, but devoid of phenocrysts and weather with a surface resembling wood.

At and in the mine itself both monzonite porphyry and gneiss occur. The veins cut through both rocks but so far as known are only ore-bearing in the gneiss. The general geologic relations are shown on the sketch map presented herewith . (Plate I)

Ore Occurrence:-

The Black Hawk is a silver mine. The ore occurs as native silver, or as argentite, or silver glance, associated with nickel and cobalt minerals, a rather rare occurrence outside of Cobalt, Ontario. The native silver was particularly abundant in the oxidized zone, but extended downward where niccolite and other sulphide minerals occur. The gange is spar, mostly dolomite, but largely impure, and containing iron and other impurities and always more or less quartz.

This silver ore, notable because of its richness and nickel-cobalt content, occurs in well defined fissure veins. The Black Hawk is but one of many small veins with rather inconspicuous outcrop. They run in

various directions and are found over an area of perhaps four square miles. Calcite, dolomite and probably ankerite occur associated with crystalline quartz, a dull, cherty quartz and a pale greenish, wax-like material resembling the adularia quartz of the Oatman-Gold Roads district of Arizona.

The veins are all filled fissures in which wall replacement has played but a minor part. Included fragments of the country rock are common but crusts about such fragments are rarely observed. As a rule the outcrop material shows only tiny specks of galenc and pyrite and assays but an ounce or two in silver. At the three productive mines of the district, viz., the Rose, Alhambra and Black Hawk, nickel and cobalt minerals occur and in the ore itself little, if any, galena is observable. Pyrite is common in the waste, but not in the ore and in fact the ore is remarkably simple.

Veins:-

The claims show several veins. Near shaft No. 1, which is sunk on the Black Hawk vein, this and the Copper vein intersect. The mine workings were driven to develop the Black Hawk vein, there being but one corsscut (on the 200-foot level) to the Copper vein which proved valueless.

The Black Hawk vein can be traced on the surface for about 400 feet east of the working (no.1) shaft. It has been opened by four shafts and by surface trenching, but cannot be definitely identified more than 700 feet east of the main No. 1 shaft. West of the working shaft its apex is not in my opinion definitely established, but unless its course is very materially altered it must cross the slopes and pass beneath the sands and gravel of the big creek bed opposite shaft No. 2, its course taking it for one quarter of a mile or so along and up the creek wash.

The Black Hawk is a small fissure vein with central line of spar and quartz and a few inches of altered rock alongside. Its thickness is slight, varying from an inch or less to a foot save where it widens out into oreshoots where the width shown by the timbers and open stopes varies from three to ten feet. It is probable that the vein is not one single line of fracture but rather a mineralization showing along one or more of several fissures running in a general North 45 degree to 60 degree East direction. Spur veins may be intersecting fractures, but the facts indicate irregular fracturing analogous to a split in a board. The Concentration of ore is in the larger open spaces. In these shoots the high grade ore occurs in streaks and bunches so that even in the oreshoot such low grade material is of milling grade, but the amount is hardly large enough to warrant more than a small mill.

Development:-

The Black Hawk group is developed by two shafts known as No.1 and No.2, the former being the main working shaft of the mine. There are also three other shafts, no longer accessible, sunk on the vein and the Hunsker shaft, an incline, sunk in the footwall country.

The Black Hawk shaft No. 1 extends from the surface down to the 8th level of the mine, a total depth of 497 feet on the vein, or 450 feet vertically. The shaft follows the vein and is vertical for 110 feet, then dips northward at an angle of 60 degrees. Below the 8th level a winze 150 feet deep has been sunk on ore, giving a total vertical depth of 595 feet with the deepest level - the tenth - fifty feet higher. The first, or uppermost level is 68 feet below the surface and the other levels are about 50 feet apart down to the sixth, the seventh being 74 feet lower and the 8th level one hundred feet below the seventh, measured on the vein. This is shown in the cross section accompanying my report.

The character of the shaft is unfavorable for speedy and economical working, being vertical for 110 feet and then an incline and a bucket is used dragging on a skipway on the incline. The inflow of water is heavy and cannot be economically handled by the bucket. Below the 8th level all waste had to be trammed a long way to the shaft and then hoisted while the extra hoist and pump involved much extra labor. In this respect the plant is very inefficient despite the excellent surface equipment. This is why I recommend that for the present the company should suspend work at the Black Hawk property and concentrate its expenditures and energy at shaft No. 3 at the Silver Cell group.

Map of the Workings:-

The composite map of the mine workings given herewith is in part compiled from compass surveys and in part from the records furnished me. Though somewhat inaccurate, it is the only map giving even the approximate relations of the different ore bodies and levels, the published section of the mine being neither a horizontal nor a vertical section, but a projection of the workings on the plane of the vein. As will be seen on the composite map, the workings are irregular and not always on the vein.

The vein is definitely opened and exposed for about 425 feet easterly. It is not positively identifiable westward on the surface, but is disclosed by drifts on the 2nd, 3rd, and 4th levels for 80 feet or so west of the shaft where an ore chimney has been stoped.

Ore as indicated by the stoped part of the vein was practically continuous on the second level for 434 feet, this being the zone of greatest surface enrichment where the nugget and larger masses of native silver would naturally be formed. The third level which only ran for 33 feet east of the shaft when the present management reopened the mine, has been extended to a total of 112 feet east and for 225 feet west of the shaft. Although approximately on the vein and directly beneath the underhand stope that is but 37 feet above it on the second level, no ore has yet been found and it is thought probable that the drift is on a parallel seam in the footwall and not on the ore-bearing fissure.

The vertical cross section of the mine given herewith shows the persistence of the vein downward to the 8th level and discloses the marked changes in dip. A flat fault displaces the vein, the shift being about 30 feet to the south, the vein below the fault dipping south. This fault has produced an overlapping of the faulted ends of the vein on the 800 foot level, giving the appearance of two separate veins. There are two nearly parallel veins on the 700 foot level, but only the northernmost, the Black Hawk, is mineralized.

The cross section also shows that the opinion expressed in my preliminary report is erroneous and that the deeper workings are on the Black Hawk vein itself beneath the fault.

The future of the mine must be deduced from the underground exposures and the record of past production. The open stopes of the mine are a record of material mined, but not of ore produced. The volume indicates a very considerable tonnage taken out, most of which went to the mine dump since only very high grade ore could be shipped - and this occurred in bunches and streaks in the oreshoots.

The mine workings show that hile the oreshoots of the upper level are not persistent downward, that new shoots with blind apex come in and that not only does ore extend downward to the deepest workings but the length of the shoot and the thickness of the ore are as great, if not greater than in any of the higher stopes. If faulting is taken into consideration the two stopes which are 84 and 104 feet long respectively on the 7th level, show ore from near the 600 foot down to the 10th level, a vertical range of 200 feet or over 300 feet on the dip of the vein.

The thickness or width of the vein varies from an inch or two in the barren places to as much as ten feet in the oreshoots. In general it is wider in the deepest levels but the ore cannot be estimated at over two feet.

Underground observation shows:-

1. The oreshoots do not occur in the porphry.
2. Oreshoots occur where the vein shows intersecting fracture, the ore occurring in North 45 degree East fissures, showing a dip of about 60 degrees; no ore occurs where the dip is either much steeper or is much flatter as shown on the 700' level. Oreshoots have blind apex and do not extend upward to the surface nor to the oxidized zone.

Porphyry occurs in a mass of considerable but unknown extent in the upper levels (Nos. 1 to 4), but at greater depths is found only as a nearly vertical dike running transverse to the vein. It is of earlier age and is cut by the vein. Ore occurs as bunches of high grade in rather low grade material of merely milling grade, hence much vein matter has to be stoped and sorted to get shipping ore. The dump shows fragments of high grade ore in the waste.

Ore Reserves:-

The mine has no actual reserves. The unworked blocks between stopes are too low grade to mine as shown by assay. It is true, high grade material can be found and a selected sample will carry a high value. Such samples are viciously misleading. A sample of fairly good-looking ore left in the 400' stope shows only 8 oz. silver from a sample taken by me, though it would be easy to select an 80 oz. sample. Experience at Cobalt, Ontario, has shown that the oreshoots shade off near their ends into rather rich-looking niccolite - ore-carrying but low silver content and this may be the explanation of the low grade of the ore left in the old stope. The exposures accessible at the Black Hawk are insufficient and the data is too scanty to use as a basis for any positive conclusion.

In view of the favorable conditions in the bottom of the mine I consider that the property warrants reopening by sinking the vertical shaft 480 feet deeper. The present shaft if extended downward 230 feet on the incline would reach this same level - giving a back of 100 feet of new vein, but 300 feet of crosscut would be needed, or a total of 530 feet of work compared with 480 feet of shaft sinking and a much less costly hoist charge and maintenance.

This new work would give a block of ore whose dimensions can only be estimated from the data supplied by Mr. Lidstone, since the bottom workings are under water. According to this information the oreshoot on the 10th level is 72 feet long and averages 4 feet thick. With a back of 100 feet this is equivalent to 2400 tons. The actual average value of this ore is unknown, but if it is assumed to be $20 net, it is equivalent to $48,000, but it might be many times that figure since the samples shown me are very much higher grade.

Detailed Notes on Mine Workings:-

Careful inspection of the different levels was limited by the unsafe condition of the stopes and the fact that the first and second levels are caved shut. On the 3rd level, the only ore so far found is a short shoot west of the shaft that extends down to the 500'.

The only ore found on the 4th level is this safe shoot which is again cut on the 5th level, the ore chimney coming to the shaft below the 5th level but not extending down to the 6th. Two other stopes, no longer accessible on the 5th level east of the shaft, testify to orebodies, but these shoots if such they were, do not go down to the level below nor reach upward to the 4th level.

No ore has been found on the 6th level. Detailed sampling shows some payable, though low grade material at two points and stoping might develop some mill ore at these places.

Above the 700' level two stopes west of the shaft have been mined out. As they are no longer safe their extent and width is only known from the records and testimony of Mr. Lidstone, but it is evident that the easternmost stopes, 100' long, extended upward in two peaks almost to the 600' level and downward to the 800' drift.

The 800' level is very irregular. The east drift from the shaft discloses a 2 to 4 inch quartz stringer that dips northward at 65° and extends to a porphyry dike 20' wide in which no vein was seen. Beyond this dike a small fault vein runs obliquely across the level dipping 20° to the south. Beyond this another one or two inch quartz veinlet dipping south at 80° and corresponding to the Black Hawk is exposed. Its course takes it directly across to the northern drift of the 800' level whose stopes run North 38° east and connect upward with the 7th level stopes. These stopes are 4' wide and the dip is 68° northerly, or about normal. This oreshoot has been stoped eastward for 125'. The west face exposed in the old hoist chamber west of the winze is lean as shown by sample No. 70 assaying but 5.76 ounces. It is quite probable that this is the lean interval between orebodies seen on the 700' and that the downward continuation of the shoot A of the 700' level lies in the ground between this drift and the main crosscut to the west. A sample cut across a 2' vein in the roof of the 8th level north dirft near the underground shaft assays 5.14 oz. silver.

South of the vein as opened on 800' level, there is a flat fault running North 78° East (true meridian) and dipping at 26° northerly. This shows in the northwest corner of the hoist chamber (south drift) and in the diagonal crosscut between the 800' stopes.

It cuts and displaces the vein so that the two parallel drifts of the 800' level are on different segments of the same vein. The northerly drift is above the fault and the ore does not go down but 10' to 25' or so below the level, whereas on the south drift the stopes go up but 20' or so until the fault is reached.

Another and similar fault is seen on the 900' level east of the winze, the course being parallel and the dip 35° north. Neither of the above faults show in the upper levels as the flat dip carries the faults too far south.

As the 10th level and the winze below it were still filled with water at the time of my visit, I am obliged to rely upon the testimony of others as to the occurrence of niccolite ore carrying silver in the deepest level of the mine and in the winze 50' deeper. I have perfect confidence in Mr. Leach's testimony that such ore was obtained by him in the winze and that it was over two inches thick. Mr. Lidstone has also given me ore obtained by himself from the winze. As the water had been in the 900' level until the morning of my visit the wir was very bad, the walls slimy and observation difficult. A sample cut from the roof of the stope east of the winze across a 12 inch face was assayed for me by I. L. Wright of Silver City, and carried 60.1 oz. silver per ton which is in accord with the above testimony.

Number Two Shaft:-

The No. 2 Black Hawk shaft is sunk on one of the lesser veins of the group which may for convenience be called the Powder House vein, as a short adit driven on the vein is used as a powder house. The shaft is 100' deep and in sinking it a small bunch of very high grade ore was cut.

The vein is correlated with the Copper vein by your manager, but its apex lies south of the projected apex of the Black Hawk and there is no reason to assume that it crosses that vein. At the bottom of the shaft this nearly vertical vein is exposed in an 18' drift that runs North 47° east, starting on the north side of the shaft. A crosscut driven North 12° West for 50' from the shaft passes through this Powder House vein and a second vein 18' from it shows a 24 inch fault vein with a 6 inch stringer of spar and quartz, carrying pyrite and galena but no silver; it runs North 48° east. At 45' from the shaft the crosscut is deflected 20' to the left, more nearly at right angles to the strike of the veins and the face shows quartz films and a little rock alteration.

Ten feet south of the shaft a third vein is cut that runs North 35° East and dips 78° northward. The vein is exposed by a drift 10' long showing it ot be 2½' thick, formed of crushed (?) with one to three inch streak of quartz and spar on the hanging wall and a good selvage and wall. A third vein on the opposite or south wall 5' away, is similar and has an 80° northerly dip.

This work and the exposures in the shaft are not especially promising, and, despite the high grade bunch encountered in sinking, hardly warrant further work were it not expected that the real Black Hawk vein will be cut a few yards, probably not over 50', father north. It is, of course, possible that the veins cut on the 100' level are the frayed ends of the Black Hawk, but this is opposed to the evidence seen of a vein about 50' north of the shaft.

Recommendations:-

Deepen the shaft 480' to a point 645' vertically beneath the surface, corresponding to the 11th level, 84' vertically beneath the lowest or 10th level. A crosscut 30' long will reach the vein (provided the dip is the same as it is between the 8th and 10th levels).

Clean out second level of Black Hawk No. 1 shaft and make a transit survey of this and of the third levels so as to drive an upraise to the bottom of underhand stope below second level.

Drive crosscut 30' or so north from third level face to see if the main ore-bearing fissure does not exist to the north.

Drive crosscut north from fourth level at point 200' from shaft to look for parallel fissures. Drive east on vein cut in face of 4th level.

On sixth level the vein, though wide, strong and well-defined, is low grade. It does not go far enough east to catch the possible upward extension of stope B of the 7th level. A flat fault between the 6th and 7th levels may cut and displace the ore. Observations show that at the west end of stope A and on the 7th level, the vein goes out in the hanging wall. The shoot may be the result of two fractures uniting, for the ladderway from the 6th to the 7th levels proves the identity of the vein. Hence crosscut from the sixth level.

Opinion:-

At the Black Hawk mine, the only hope of profit lies in deep work. At Cobalt the rich ore ends suddenly, the ore being niccolite with low

Silver values at the side and bottom of shoots. As yet, there is no sign of such impoverishment, and there is no such change of rock.

There is good niccolite ore in the bottom of the winze and the oreshoot on the 10th level is as long and at least as thick as on the level above.

The water is the really serious problem, but this would be an asset if a small mill were put up.

In estimating the value of the Black Hawk property some importance must be given to the history of the camp and the record of the Rose and Alhambra mines which are about a mile or so to the south. These properties produced very rich silver ore quite similar to that of the Black Hawk and were worked but a few hundred feet deep and closed down when the low price of silver combined with the high cost of transportation made mining unprofitable despite the very rich contents of the ore, shipments of 2,000 oz. ore being frequent.

At the Black Hawk the mine produced much mass silver and the total production is given as $650,000. In the last year or two of its operations the deeper levels yielded quite as high grade ores as any part of the mine.

## THE SILVER CELL GROUP

(Description of this group has been omitted here as it is not situated in Black Hawk district.)

Conclusions:-

In view of the history of the two properties and of the favorable conditions which are said to exist in the very lowest part of each mine, I consider that the company is warranted in reopening both properties, provided the expenditure is confined to certain specific work directed by a disinterested engineer, and the money not dissipated in exploration work at various places or in cleaning out old workings and in pumping expenses.

(signed) Watler Harvey Reed

New York City
Nov. 10, 1918

Form MF-104 (Rev.)
(Apr. 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# Supplemental OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 967X Contract No. Idm E-289
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt
Address Box 231, Silver City, N. Mex. Uranium
Contract Amount, $20,000 Government Participation: 90 % Amount, $18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | 15,261.75 | | 15,261.75 | 15,261.75 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | 875.00 | | 875.00 | 875.00 |
| Technical Services | | | 2,176.92 | | 2,176.92 | 2,176.92 |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core Boxes | | | 249.08 | | 249.08 | 249.08 |
| (4) Operating Equipment: | | | | | | |
| Rental | | | 81.60 | | 81.60 | 81.60 |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | 4.50 | | 4.50 | 4.50 |
| Payroll Taxes | 11.20 | 37.64 | 48.84 | 11.20 | 37.64 | 48.84 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | | | 18,697.69 | 11.20 | 18,686.49 | 18,697.69 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Mar. 3, '53 *Payee Black Hawk Cons. Mines Co.

Per Dean L. Wright Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$10.07

Signature [illegible]
(Authorized Certifying Officer)

Date 7/8/53 Vou. DMA 54-7

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMI E-289 in accordance with the terms of the contract.

Signature John A. Soule WRS Title Mining Engineer Date Mar. 5. 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JUL 3 1953

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 967X Contract No. Idm-E289

Operator's Name Black Hawk Consolidated Mines Co. Minerals

Address Box 231, Silver City, N. Mex. Cobalt - Uranium

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 26.40 | None | 18,567.39 | 3,007 | 6.18 | (2800 | 5.00 |
| Churn | | | | | | | ( 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | | | 119.10 | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 26.40 | | 18,686.49 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | 26.40 | | 18,686.49 | | | | 20,000 |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 1/10/53 Operator Black Hawk Consolidated Mines Co.

Per Ira L. Wright Title Vice President

REMARKS: This report covers pay roll taxes for 3rd quarter, 1952. 1.5% of $1650, the total pay of Ira L. Wright, and E. H. Simon, plus 0.1% for N. Mex. Employment Sec. Com.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Form MF-94 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 1952 Docket No. DMEA 967X Contract No. Idm-E289
Operator's Name Black Hawk Consolidated Mines Co.
Address Box 231, Silver City, N. Mex. Minerals Cobalt-uranium
Contract Amount, $20,000 Government Participation 90 % Amount, $18,000.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent ~~Short Form~~ Contracts: | | | | | | |
| Drilling | | 15,261.75 | 15,261.75 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | 875.00 | 875.00 | | | |
| Supervision | | 2,176.92 | 2,176.92 | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track Core boxes | | 249.08 | 249.08 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 81.60 | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | 4.50 | 4.50 | | | |
| Payroll Taxes | 26.40 | 11.24 | 37.64 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 26.40 | 18,660.09 | 18,686.49 | 26.40 | 18660.09 | 18686.49 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1/10/53 *Payee BLACK HAWK CONSOLIDATED MINES CO.
Per Dora L. Wright Title VICE PRESIDENT

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$23.76

Signature [illegible]
(Authorized Certifying Officer)

Date 7/8/53 Vou. No. DMA 54-7

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA E 289 in accordance with the terms of the contract.

Signature John H. Searle WAF Title Mining Engineer Date Jan 12 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date JUL 3 1953

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Final

Month of December 1952 Docket No. DMEA 967X Contract No. Idm E-289

Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt

Address Box 231, Silver City, N. Mex. Uranium

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 11.20 | None | 18,578.59 | 3207 | 5.18 | 2800 | 5.00 |
| Churn | | | | | | | 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | | | 119.10 | | | | |
| Total Distributed Costs | | 11.20 | | 18,697.69 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | | | | | | | |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Mar. 3, 1953 Operator Black Hawk Cons. Mines

Per Oscar L. Wright Title Vice President

Remarks: This report is supplemental to that mailed for December, 1952 to show pay roll taxes for 3rd quarter 1952. This report shows pay roll taxes for October and November. Final report on drilling results accompanied October-November report.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

MINING DIVISION
REGION IV

January 12, 1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : December 1952 Progress Report, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are:

(1) Bureau of Mines Engineer's report;

(2) Forms MF-104 and 104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As these cost items are in accordance with the terms of the contract, I recommend that the Government's share be paid.

As no progress was made, the operator has submitted no narrative report. If one is necessary, I would suggest that you write directly to Mr. Ira L. Wright in Silver City, N. Mex.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

JUL 23 1953

MINING DIVISION
REGION IV

January 12, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona.

Subject : Progress Report for December 1952, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico.

This report is to accompany the forms submitted by the operator claiming payroll taxes that were paid after cessation of the project work but pertained to salaries paid during the operation of the project.

Total salaries paid during the months of July, August and September were $1,650.00. The Federal tax on the above amount is 1.5 percent and the New Mexico tax is 0.1 percent of the above. This amounts to $26.40, the amount entered on Form MF-104. This entry is documented and approved.

There remains $11.20 taxes yet to be claimed for salaries paid for the months of October and part of November.

John H Soule'

John H. Soule, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMA-967X
DF

JHSoule':frj

MINING DIVISION
Region IV

March 5, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Branch, Mining Div., Region IV

Subject : January-February 1953, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Forms MF-104 and MF-104A with documentation.

Also enclosed are two extra copies of our engineer's report.

The amount shown on Forms MF-104 and MF-104A is for payroll taxes paid for the quarter, October-December 1952. However, as Soule' states, I recommend that only $10.50 of this amount be approved as documentation is not attached for the New Mexico taxes, and that it not be paid until the operator's final report has been received.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 5, 1953

Memorandum

To : Walter R. Sterms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : J. H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for January-February 1953. Docket BMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico

All work on the subject project was completed on November 5, 1952. This report is to accompany supplemental Forms MF-104 and 104A in which claim is made for payroll taxes on salaries paid in the quarter, October-December 1952.

Wages paid for supervision and technical services during the October-December quarter totalled $700.00. The payroll taxes on this sum are paid at a rate of 1.5 percent for Federal taxes and 0.1 percent for New Mexico taxes. These amount to $10.50 and $0.70, respectively, totalling $11.20. The Federal tax of $10.50 is documented and therefore, approved. There is no documentation for the New Mexico taxes and the $0.70 should be suspended.

Approval is given to $10.50 of the $11.20 entered on Supplemental Form MF-104 as being within the terms of the contract. It is recommended that payment of this sum be withheld until receipt of the operator's final geologic and engineering report.

John H Soule'

John H. Soule'

CC W. H. King (orig. & 6)
BMA-967X
DF

JHSoule':frj

Form MF-304 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October-November 195[illegible] Docket No. DMEA 9[illegible] Contract No. [illegible]
Operator's Name Black Hawk Consolidated Mines Co.
Address Box 231, Silver City, N. Mex.
Minerals Cobalt-Uranium
Contract Amount, $ 20,000 Government Participation: 90 % Amount, $ 18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 1621.00 | 13640.75 | 15261.75 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | [illegible] | 975.00 | 975.00 | | | |
| Supervision | 500.00 | 1870.92 | 2370.92 | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Trac[illegible] Core Tools | | 249.06 | 249.06 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 81.60 | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 4.50 | | 4.50 | | | |
| Sampling and Analysis | | 11.24 | 11.24 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2525.50 | 16834.59 | 18660.09 | 2525.50 | 16834.59 | 18660.09 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 13, '52 *Payee Black Hawk Cons. Mines Co.

Per Ira L. Wright Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2092.95

Signature [illegible] (Authorized Certifying Officer)

Date 7/8/53 Vou. [illegible] 54-7

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dm E 289 in accordance with the terms of the contract.

Signature John H. Soule' WRS Title Mining Engineer Date Dec 1, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date JUL 3 1953

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~November~~ October 1952 Docket No. DMEA 967X Contract No. Idm 8-289

Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt-Uranium

Address 231, Silver City, N. Mex.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 2325.50 | 309 | 18540.99 | 3007 | 6.17 | 2,800 | 5.00 |
| Churn | | | | | | | 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | | | 119.10 | | | | |
| Total Distributed Costs | | 2325.50 | | 18660.09 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 2325.50 | | 18660.09 | | | | 20,000.00 |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Remarks: Drilling discontinued on this contract. November included with October as there was only 50' drilled in November

Date Nov. 13, 1952 Operator Black Hawk Cons. Mines Co.

Per Dwa L. Wright Title Vice President

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Docket No. DMEA 967X Contract No. Idm E-289

NARRATIVE REPORT
For
OCTOBER-NOVEMBER, 1952

Drill Hole #3 was discontinued on Nov. 5th at a depth of 1004'. Three samples taken of the core from a depth of 641' to 653' assayed as follows:

| Interval | Oz. Silver |
|---|---|
| 641'- 646' | .32 |
| 646'- 649' | .12 |
| 649'- 653' | .57 |

It is possible this core was from the vein but at a point where the mineralization was very weak. The gangue consisting of quartz barite and calcite is typical vein filling for this district. Since the funds remaining in the contract were insufficient to drill another hole it was considered best to discontinue work when hole #3 went beyond the 1200' mark.

Ira L. Wright, Vice President

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 2, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA-967X (Cobalt-Uranium), Contract Idm-2289, Black Hawk Consolidated Mines Company, Grant County, New Mexico. Monthly Progress Reports and Vouchers.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A with supporting data, and the Operator's and Engineer's Narrative Reports for the following periods which have been combined to form one report for the purpose of effecting the final settlement under the terms of the contract:

1. Operator's Progress Report for the months of October and November 1952.

2. Operator's Supplemental Report for the month of December 1952 in claim of payroll tax relative to prior months' operations.

3. Operator's Supplemental Report for January and February 1953 in claim of payroll tax relative to prior months' operations.

The foregoing combined reports constitute the Operator's final accounting and claim for reimbursement under the terms of the contract. The Operator has complied with the terms of the contract, and there were no material or supplies remaining unexpended on completion of the project work in which the Government would have an interest.

Final payment to the Operator under the terms of the contract is recommended on the following basis which is in conformance with the Final Report of Review by the Contract Administration and Audit Division, dated June 12, 1953, which was released to this office July 2, 1953.

<u>Basis for Final Payment</u>

| | |
|---|---|
| Total allowable cost authorized by the Report of Review | $16,827.92 |
| Total prior payments | 14,701.14 |
| Balance due the Operator | $2,126.78 |

**Reconciliation with the attached reports submitted by the Operator**

| | |
|---|---|
| Operator's claim for October and November 1952 | $2,325.30 |
| Operator's claim for December 1952 | 25.60 |
| Operator's claim for January and February 1953 | 11.80 |
| Total | $2,362.10 |
| Government participation at 90% | 2,126.79 |
| Authorized balance due Operator | 2,126.79 |

W. H. King

W. H. King

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.
JWTownsend
RDBerkenkotter

MINING DIVISION
REGION IV

December 2, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : October-November 1952 Progress Report, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co's. Black Hawk Silver-Uranium-Cobalt mine, Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Form MF-104 and 104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid when the operator submits his final report.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

RECEIVED

MINING DIVISION
REGION IV

December 1, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for October-November 1952, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico.

The Black Hawk Mine was visited on November 4, 1952 to inspect the progress made on the project for the month of October. At the time of the visit, Hole No. 3 was at a depth of 995 feet. As only a few more feet were to be drilled, the hole was completed at a depth of 1,004 feet on November 5, 1952. Approval is given to the total of 309 feet of drilling done on the project during the month of October and the first part of November. The hole was advanced from 695 to 1,004 feet.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 1. Independent Contracts. According to the contract and the approved sub-contract, drilling is allowed at a rate of $5.00 per foot for depths under 700 feet and at a rate of $5.25 for depths in excess of 700 feet. The following table will show the derivation of the drilling costs for the period:

| From | To | Feet | Rate | Amount |
|---|---|---|---|---|
| 695 | 700 | 5 | $5.00 | $25.00 |
| 700 | 1,004 | 304 | 5.25 | 1,596.00 |
| | | | Total | $1,621.00 |

The above total of $1,621.00 is approved and is documented by copies of the drill contractor's invoices.

Item 2. Technical Services. This item is allowed by the contract at $400.00 per month and one and one fourth were charged to the project. This makes the total $500.00 which is approved. Both this item and the preceding are documented by copies of the payrolls.

CC W. H. King (orig. & 6)
DMA-967X
DF
WRStorms:frj

Item 7. Miscellaneous. The only charge to this item was a bill for assaying. Three samples of core from Hole No. 3 were assayed for silver. The total cost was $4.50 and this is approved and documented by a copy of the assayer's invoice. Qualitiative tests on the above samples were performed by the Bureau of Mines. There was no uranium, cobalt or nickel in the samples.

According to Form MF-104, $2,325.50 was spent on the project during the period. This expenditure is approved. This makes the total spent to date, $18,660.09, which is approved.

DISCUSSION OF FORM MF-104A

All of the $2,325.50 expended on the project during October and November are charged to core drilling. This brings the total drilling costs to $18,540.99. For the total of 3,007 feet drilled, this indicates a unit cost of $6.17.

This is the last set of MF-104's to be submitted as the project has been completed. Article 14 of the contract states "Upon completion of the project or termination of this contract, the operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability". By the above, it is recommended that payment of this voucher be withheld until the required final report is received.

John H Soule

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 20, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, Docket No. DMA-967X (Cobalt-Uranium), Contract Idm-E289, Black Hawk Consolidated Mines Company, Grant County, New Mexico.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the following periods, pertaining to Docket No. DMA-967X (Cobalt-Uranium), Contract Idm-E289, Black Hawk Consolidated Mines Company, Grant County, New Mexico:

1. Operator's Progress Report for the months of October and November 1952.

2. Operator's Supplemental Report for the month of December 1952 in claim of payroll tax relative to prior months' operations.

3. Operator's Supplemental Report for January and February 1953 in claim of payroll tax relative to prior months' operations.

There were no material or supplies remaining unexpended on completion of the project work in which the Government would have an interest.

Final payment was made in conformance with the Final Report of Review by the Contract Administration and Audit Division, dated June 12, 1953, which was released to this office July 2, 1953.

Total payment under the contract amounted to $16,827.92.

W. H. King
W. H. King

Enclosures

Form MM-106 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R036.3.
Approval expires 6-30-53.
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 967A Contract No. 10a L-289
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt-Uranium
Address Box 231, Silver City, New Mexico
Contract Amount, $ 20,000 Government Participation: 90 % Amount, $ 18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 1,632.00 | 12,008.75 | 13,640.75 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | 150.00 | 525.00 | 675.00 | | | |
| Technical Services | 400.00 | 1,276.92 | 1,676.92 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core boxes | | 249.08 | 249.08 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 81.60 | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 11.24 | | 11.24 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2,193.24 | 14,141.35 | 16,334.59 | 2,193.24 | 14,141.35 | 16,334.59 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 19, 1952 *Payee Black Hawk Cons. Mines Co.
Per Dean L. Wright Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1973.92

Signature [illegible]
(Authorized Certifying Officer)
Date 10/30/52 Vou. No. DMA 53-56
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm E 289 in accordance with the terms of the contract.

Signature John H Searle WKH Title Mining Engineer Date Oct 22, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. Kesing Title Executive Officer Date 10/28/52

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 967X Contract No. Idm-1289
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt-Uranium
Address Box 231, Silver City, New Mexico

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 2,193.24 | 326 | 16,215.49 | 2,698 | 6.01 | 2,600 | 5.00 |
| Churn | | | | | | | 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | | | 119.10 | | | | |
| TOTAL DISTRIBUTED COSTS | | 2,193.24 | | 16,334.59 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | 2,193.24 | | 16,334.59 | | | | 20,000.00 |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date October 19, 1952 Operator Black Hawk Cons. Mines Co.

Per Jack L. Wright Title Vice President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

October 31, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 967X, Contract Idm-H289, (Cobalt and Uranium) Black Hawk Consolidated Mines Company, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of September, 1952, pertaining to DMA Docket 967X, Contract Idm-H289, Black Hawk Consolidated Mines Company.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

New Customhouse
Denver 2, Colorado

October 28, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 967X, Contract Idm-E289, (Cobalt and Uranium) Black Hawk Consolidated Mines Company, Grant County, New Mexico - Operator's Monthly Progress Report for the period of September, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 90 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

W. H. King
W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to the Operating Committee (2)
WRSterns
Chron.
AHLoschmann (2)

MINING DIVISION
REGION IV

October 22, 1952

Memorandum

To : W. H. King, Denver, Colorado

From : Chief, Arizona-New Mexico Branch, Mining Div., Region IV

Subject : September 1952 Progress Report, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC: W. H. King (6)
DMA-967X
DF

WRStorms:als

MINING DIVISION
REGION IV

October 22, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for September 1952, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico.

The Black Hawk mine was visited on October 11, 1952 to check the project progress made during the month of September. At the time of the visit, Hole No. 3 was at a depth of 787 feet so approval is given to the 695-foot depth reported on October 1, 1952. As Hole No. 3 was 377 feet deep on September 1, 1952, a monthly advance of 318 feet for this hole is indicated and approved.

Hole No. 1 was advanced from 994 to 1,002 feet during the month. This advance of 8 feet is approved and this makes the drilling done on the project for the month of September total 326 feet.

Nothing of importance was noted in the bottom 8 feet of Hole No. 1. The geology of Hole No. 3 was similar to the other Holes, the rock being pre-Cambrian gneiss with a little monzonite. Around 650 feet, a heavy sulfide impregnation was noted. There was no response to the Geiger counter, showing that no uranium minerals were present. Tests on three samples from this area were negative when tested for cobalt and nickel.

ANALYSIS OF ENTRIES ON FORM MF 104

Item 1. Independent Contract. Core drilling done for the month of September totalled $1,632.00 which sum is approved. The breakdown follows:

| | | |
|---|---|---|
| Hole No. 1, | 994 to 1,002 feet, 8 feet @ $5.25 | $ 42.00 |
| Hole No. 3, | 377 to 695 feet, 318 feet @ $5.00 | $ 1,590.00 |
| | Total | $ 1,632.00 |

CC: W. H. King (Orig. & 6)
DMA_967X
DF

JHSoule':als

This item is documented by the originals of the drill contractor's invoices.

Item 2. Labor and Supervision. Labor, or rather technical services amounted to $400.00 for the month. Supervision totalled $150.00. Both of these items are in accord with the terms of the contract, are approved, and are documented by the payroll report.

Item 7. Payroll Taxes. This item amounted to $11.24 and embraces the period of May-June, or the quarter ending on July 1, 1952. This entry is approved and is broken down as follows:

| | | |
|---|---|---|
| May-June salary, E. H. Simon, $476.92 | | |
| Federal Tax (1.5%) | | $7.15 |
| State Tax (0.1%) | | 0.48 |
| May-June salary, Ira L. Wright, $225.00 | | |
| Federal Tax (1.5%) | | 3.38 |
| State Tax (0.1%) | | 0.23 |
| | Total | $11.24 |

The above entry is documented.

A total of $2,193.24 was spent on the project for the month of September. This expenditure is approved. To date, a total of $16,334.59 has been spent on the project which does not include disallowances made for payroll tax items withheld until proper documentation is received. The form has been corrected to show only the approved costs.

DISCUSSION OF FORM 104A

All of the September costs of $2,193.24 are charged to core drilling. This brings the total costs for this part of the project to $16,215.49. For the 2,698 feet drilled to date, a unit cost of $6.01 is indicated. This form has been corrected to conform with the accompanying Form MF 104.

John H. Soule

John H. Soule, Mining Engineer
Tucson, Ariz.

DMEA DOCKET NO. 967X CONTRACT NO. Idm-E-289

BLACK HAWK CONSOLIDATED MINES CO.

NARRATIVE REPORT FOR SEPTEMBER, 1959

Drill Hole #1 was discontinued at a depth of 1002'. No commercially valuable mineral was found but considerable iron pyrite showed in the core. During most of the drilling of this hole there was good core recovery but some caving was experienced and 2 drill bits were lost by the driller.

Drill Hole #3 shows somewhat more iron pyrite than did holes #1 and #2. At a depth of 641' to 653' the core showed scattered specks of a black mineral in a gangue composed largely of quartz and barite, the usual vein material in this district. The core was split and 3 samples taken for assay for silver and testing for cobalt. The Geiger counter did not show the presence of uranium.

Ira L. Wright

Ira L. Wright, Vice President

Form MF-[illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Defense Minerals Administration
[illegible]

# OPERATOR'S MONTHLY REPORT AND VOUCHER

OCT 2 1952

Month of August, 1952 Docket No. DMEA 967X Contract No. Idm-[illegible]-269
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt
Address Box 231, Silver City, N. Mex. Uranium
Contract Amount, $ 20,000 Government Participation: 90 % Amount, $ 18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 2725.00 | 9293.75 | 12,018.75 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | 150.00 | 375.00 | 525.00 | | | |
| Technical Services | 400.00 | 876.92 | 1276.92 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core Boxes | 53.12 | 195.96 | 249.08 | | | |
| | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 81.60 | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 24.75 | 56.34 | 81.09 | 00 | | 56.34 |
| Liability Insurance | | | | | | |
| | | | | | | |
| | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | 3,328.12 | 10,879.57 | 14,207.69 |
| TOTALS | 3352.87 | 10,879.57 | 14,232.44 | | * 66.34 | 66.34 |
| | | | | | 10,813.23 | 14,141.35 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 15, '52 Payee Black Hawk Cons. Mines Co.

Per Dave L. Wright Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2995.31

Signature [illegible]
(Authorized Certifying Officer)

Date 10/15/52 Vou. No. DMA 53-48
(See other side)

* Previous disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dm E 789 in accordance with the terms of the contract.

Signature John H. Soule Title Mining Engineer Date Sept 22. 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

## MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

Defense Minerals Administration

OCT 2 - 1952

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 2[illegible]7 Contract No. Idm-2-289

Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt

Address Box 221, Silver City, N. Mex. Uranium

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 3552.37 | 537 | (2) 2,113.34 | 2637 | (1) 5.25 | 2000 | 5.00 |
| Churn | | | | | | | 400 | 2.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Sol | | | 220.10 | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 3552.37 | 537 | (3) 14,221.44 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | | | | | | | |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 15, '52 Operator Black Hawk Cons. M. Co.

Per Ira L. Wright Title Vice President

Ira L. Wright

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

(1) 5.22
(2) 14,022.25
(3) 14,141.35

## INSTRUCTIONS

*Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: _____
Payee's
Reference: _____

October 15, 1952

Progress
Report - August 1952

Black Hawk Consolidated Mines Co.
P. O. Box 231
Silver City, New Mexico

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ _____

Difference $ _____

Amount Approved $ 3,352.87

The reason for the difference was due to: 24.75

3,328.12

Payroll taxes disallowed: May be reclaimed on quarterly basis documented by a copy of operator's quarterly report pertaining to that period.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

October 20, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 967X, Contract Idm-R289 (Cobalt, Uranium) Black Hawk Consolidated Mines Co., Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of August, 1952, pertaining to DMA Docket 967X, Contract Idm-R289, Black Hawk Consolidated Mines Co.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 2, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 967X, Contract Idm-2289 (Cobalt, Uranium) Black Hawk Consolidated Mines Co., Grant County, New Mexico - Operator's Monthly Progress Report for the period of August, 1952

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows contingent upon arithmetical accuracy and corrections of all rates which are a basis for payment.

| | |
|---|---|
| Total Reported | $3352.87 |
| Less - Payroll Taxes until supported by copy of quarterly report | $4.75 |
| | $3348.12 |
| Government participation - 90 percent | $2995.31 |

The engineer questions the rate of $5.85 per foot charged by the drilling subcontractor for footage over 400 at drilling depths greater than 700 feet. As explained in our transmittal letter attached to the July report, this office interprets the contract not as stipulating the 400 feet at $5.85 per foot as a maximum, but rather, interprets this only as part of the computations so as to substantiate the total estimated cost of the diamond drilling.

The amount charged for core boxes is allowable in that the total set forth in the contract is again only an estimate, and if need be, may be exceeded. The operator should have, however, shown current and past transportation charges after item (8), Transportation.

WLD:oc
cc: Contract
Secretary to Operating Committee
WRStorms
Enclosures
Chron.
Koschmann (2)

W. H. King
W. H. King

MINING DIVISION
REGION IV

September 24, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : L. A. Stewart, for Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: August 1952 Progress Report, DMA Docket 967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 104-A.

Also enclosed are two extra copies of examining engineer's report. It will be noted that Soule' has indicated the following questionable items in the account:

Contract drilling - an apparent overcharge of $40;
Core boxes - excess over allowable contract item, $49.08;
Payroll taxes - documentation pending, $24.75.

Two of these items were similarly questioned in last month's report, and as we have not yet received the answers, we are passing this on for action by Denver.

In the absence of Mr. Storms, and subject to approval or deletion of all or part of the above questioned sums by the Field Team, I recommend that the Government's 90 percent share of the costs be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-967X
DF

LAStewart:frj

MINING DIVISION
REGION IV

September 23, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress report for August 1952, Docket DMA 967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, N. Mex.

The Black Hawk mine was visited on September 4, 1952 to inspect the progress made there during the month of August. At the time of the visit, Hole No. 1 was stopped at a depth of 1,002 feet. The reported depth at first of August was 883 feet and at the first of September was 994 feet indicating an advance of 111 feet for the month of August. This footage is approved.

Hole No. 2 was bottomed at 1,001 feet during the month and as it was 952 feet deep on August 1, an advance of 49 feet is indicated and approved.

Hole No. 3 was started upon the completion of Hole No. 2 and was about 415 feet deep at the time of the visit. As the reported depth on September 1 was 377 feet, this advance is approved.

The total footage drilled on the project for the month of August was 537 feet which is approved as noted above. Most of the drilling was done in the pre-Cambrian gneiss with occasional masses of monzonite. Nothing of interest in the way of mineralization was encountered.

ANALYSES OF ENTRIES ON FORM MF-104

Item 1. Contracts, Diamond Drilling. The following tabulation shows the derivation of the contract costs for the month.

W. H. King (Orig. & 6)
DMA-967X
DF

JHSoule':frj

| Hole No. | FROM | TO | Advance | Rate | Amount |
|---|---|---|---|---|---|
| 1 | 883 | 994 | 111 | $5.25 | $582.75 |
| 2 | 952 | 1,001 | 49 | 5.25 | 257.25 |
| 3 | 0 | 377 | 377 | 5.00 | 1,885.00 |
| | Totals | | 537 | | $2,725.00 |

As the 400 feet allowed by the contract at the higher rate was used up during the previous month, approval is given for 537 feet at the $5.00 rate or a total of $2,685.00 instead of the $2,725 as entered on Form MF-104 and as shown above. The costs for this item are supported by documentation.

Item 2. Supervision. Supervision is allowed by the contract at $150.00 per month. This is the sum entered on Form Mf-104 and is approved.

Item 2. Technical services. This is allowed by the contract at $400,00 per month and as this is the amount entered on Form MF-104, it is approved. This and the preceding item are supported by documentation.

Item 3. Operating Materials and Supplies. Additional core boxes were purchased during the month. The total amount for the boxes was $50.00, which with $3.12 freight makes a grand total of $53.12. Perhaps the freight item should be entered separately under item 8, but no provision was made in the contract for contingencies. The above item is documented.

A note on the above item. According to the contract, $200.00 was allowed for core boxes. The total spent for core boxes including freight now amounts to $249.08 which exceeds the contract allowable of $200.00 by $49.08. Subtracting the freight which totals $16.18, there is still a deficit of $32.90 in this account. Approval of this item is passed to Denver.

Item 7. Payroll Taxes. A total of $24.75 is entered for this item. As there is no documentation, approval is withheld until such documentation is received. Such documentation should be received sometime during the month of October.

A recapitulation of the above costs is shown as follows:

| Item | Entry on Form MF-104 | Amount Approved | Amount Disapproved | Reason for Disapproval |
|---|---|---|---|---|
| 1 | $2,725.00 | $2,685.00 | $40.00 | Rate too high |
| 2 | 150.00 | 150.00 | | |
| 2 | 400.00 | 400.00 | | |
| 3 | 53.12 | 4.04 | 49.08 | Exceeds contract allowable. |
| 7 | 24.75 | | 24.75 | No documentation |
| Totals | $3,352.87 | $3,239.04 | $113.83 | |

An approved total of $3,239.04 was spent during the month which total will be increased by $24.75 upon receipt of documentation of the payroll taxes. This total may be further changed pending Denver's decision on questioned items. The total spent to date is approximately $14,000.00, the exact amount depending upon Denver's action on the costs submitted for July.

## DISCUSSION OF FORM MF-104A

All of the costs for the month of August were charged to diamond drilling. Based upon the figures entered on the form, this unit cost is $5.25. However, as some changes will probably be made on Form MF-104, these changes will be reflected on Form MF-104A.

John H. Soule'

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

BLACK HAWK CONSOLIDATED MINES CO.

NARRATIVE REPORT FOR AUGUST, 1952

Docket No. DMEA 967X Contract No. Idm-I-289

Hole #2 was discontinued at a depth of 1001'. Most of the core was gneiss but some porphyry was penetrated. All the gneiss carried iron pyrite-perhaps 5% but no cobalt or uranium was found. Core recovery was high and the cores are stored in boxes.

Hole #1 gave the drillers a great deal of trouble, especially near the 940' depth where a bit was lost and had to be drilled out or around it. That was the second bit to be lost in this hole.

Hole #3 is being drilled 85' nearer the Black Hawk shaft and at minus 63°. At this writing the core is much the same as that in the other two holes.

Ira L. Wright

Ira L. Wright, Vice President

BLACK HAWK CONSOLIDATED MINES CO.

PAY ROLL FOR AUGUST, 1952.

Docket No. DMA 967X Contract No. Idm-E-289

| NAME | TIME WORKED | RATE | EARNINGS | SS & FA TAXES | | DUE |
|---|---|---|---|---|---|---|
| E.H.Siron | 1 Month | $400.00 | $400.00 | 16.00 | 12.00 | $394.00 |
| Ira L. Wright | 1 " | 150.[illegible] | 15[illegible] | [illegible] | 4.5[illegible] | 1[illegible]7.75 |

I hereby certify that the above is correct and the amount due has been paid

Ira L. Wright

Ira L. Wright, Vice President.

MF-[illegible] (Rev.)
(April 1[illegible])

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
## OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 195 2 Docket No. DMEA 967X Contract No. Idm-E-289

Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt Uranium

Address Box 231, Silver City, N. Mex.

Contract Amount, $ 20,000 Government Participation: 90 % Amount, $ 18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 3623.75 | 5670.00 | 9293.75 | 3,613.75 | 5,670.00 | 9,283.75 |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | 150.00 | 225.00 | 375.00 | | | |
| Technical Services | 400.00 | 4[illegible].92 | 876.92 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core Boxes | | 195.96 | 195.96 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 81.60 | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes * | 35.28 | 21.06 | 56.34 | .00 | 21.06 | 21.06 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 4209.03 | 6670.54 | 10,879.57 | 4,163.75 | 6,670.54 | 10,834.29 |
| | | | | | * 21.06 | 21.06 |
| | | | | | 6,649.48 | 10,813.23 |

*Includes $10.53 error June report

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug 9, '52 *Payee Black Hawk Cons. Mines Co.

Per Dwa L. Wright Title Vice-President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3728.42

Signature [illegible]
(Authorized Certifying Officer)

Date 9/22/52 Voucher No. DMA 53-35

(See other side)

* Disallow F.I.C.A. for month of June

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E 289 in accordance with the terms of the contract.

Signature John H. Soule WRS Title Mining Engineer Date Aug 19. 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-[illegible]A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 267X Contract No. Idm-E-289
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt
Address Box 231, Silver City, N. Mex. Uranium

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 4209.03 | 1016 | 10,760.47 | 2150 | 5.05 | 2800 | 5.00 |
| Churn | | | | | | | 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | | | 119.10 | | | | 100.00 |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 4209.03 | | 10,879.57 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | 4209.03 | | 10,879.57 | | | | |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Aug. 9, 1952 Operator Black Hawk Cons. Mines Co.

Per Ira L. Wright Title Vice President

REMARKS: Pay roll includes E. E. Simon, Engineer, at $400 per Mo. and Ira L. Wright supervisor at $150 per Mo.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

[illegible]

[illegible]

September 19, 1952

Progress Report
July 1952

Black Hawk Consolidated Mines Co.
P. O. Box 231
Silver City, New Mexico

Upon consideration of the above Progress Report a difference was found which made it necessary to prepare your account accordingly:

| | |
|---|---|
| Amount Claimed | $4,209.03 |
| | -45.28 |
| Difference | $4,163.75 |
| | * -21.06 |
| Amount Approved | $4,142.69 |

The reason for the difference was due to:

| | |
|---|---|
| F.I.C.A. previously paid for June Disallowed until documentation is received. | $21.06 |
| July F.I.C.A. disallowed until documentation is received. | 35.28 |
| Drilling Contractor overcharge: Starting point shown as 536 feet whereas should have been shown as 538 feet. 2 feet @ $5.00 | 10.00 |
| | $66.34 |

Any reclaim for deductions made above must be [illegible] ORIGINAL OF THIS FORM.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - R&F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 24, 1952

Memorandum

To: Secretary to the Operating Customhouse

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 967, Contract Idm-M289, (Cobalt & Uranium) Black Hawk Consolidated Mines Company, Grant County, New Mexico

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of July, 1952, pertaining to DMA Docket 967, Contract Idm-M289, Black Hawk Consolidated Mines Company.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 4, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 967X, Contract Idm-E289 (Cobalt & Uranium) Black Hawk Consolidated Mines Company, Grant County, New Mexico - Operator's Monthly Progress Report for the period of July, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

| | | |
|---|---|---|
| Total Reported | | $4209.03 |
| Disallowances: | | |
| F.I.C.A. & F.U.C.A. | | |
| June Report | $21.06 | |
| July Report | 35.28 | |
| Overcharge on drilling contractors invoice (explained in engineers report) | 10.00 | |
| | | 66.34 |
| | | $4142.69 |
| Government participation - 90 percent | | $3728.42 |

An auditor has been consulted on the question of F.U.U.A. and he suggests that the total amounts claimed for both F.I.C.A. and F.U.U.A. for June and July be disallowed until such time as the operator submits as documentation copies of his quarterly reports to substanciate these amounts. The operator should be so informed in the disallowance statement.

The engineer questions the rate of $5.25 per feet charged by the subcontracter for footage over 400 at drilling depths greater than 700 feet.

This office interprets the contract not as stipulating the 400 feet at $5.25 per foot as a maximum, but rather, interprets this as part of the computations so as to arrive at the total estimated cost of diamond drilling. The wording of Exhibit A and our approval of the drilling subcontract verify this.

W. H. King

W. H. King.

Encl.

WLD:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

August 26, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : July 1952 Progress Report, DMA Docket 967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 104A

Also enclosed are two extra copies of our engineer's report.

Soule' has pointed out several possible errors in his report. On page 2 of Exhibit A of Contract Idm-E289, it states under Contract Diamond Drilling: "Drilling below 700 feet; 400 feet @ $5.25 per foot - $2,100.00". Soule' points out that to August 1, over 400 feet had been drilled below the 700-foot point. Two feet of drilling also are included twice; in hole No. 1 the driller's statement is from "536 to 700 feet", while the actual distance should have been "538 to 700 feet". There also is some question about payroll taxes on the supervisor's salary when he actually is a vice-president of the company. No document has been submitted showing that payroll taxes have been paid, so I would suggest that this amount be withheld until payroll tax receipts are submitted. No drill hole logs nor any maps are attached to Form MF-104.

Subject to approval of these items by the Field Team, I recommend that the Government's 90 percent share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

MINING DIVISION
REGION IV

August 26, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona.

Subject : Progress Report for July 1952, Docket DMA-967X, Contract Idm-E-289, Black Hawk Consolidated Mines Co., Black Hawk Silver-Uranium-Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico.

The Black Hawk mine was visited on August 5, 1952 to inspect the progress being made on the project. On the date of the visit, Hole No. 1 was 903 feet deep and Hole No. 2 was 1,001 feet deep. These footages are in excess of the amounts submitted on Form MF-104A and in the narrative report when Hole No. 1 was reported to be 883 feet deep and Hole No. 2 was reported to have reached a depth of 952 feet. This progress is approved. The total footage for the month was 701 feet.

Most of the drilling was in the pre-Cambrian gneiss occasionally encountering small monzonite dikes. A number of small fault zones were encountered but nothing suggestive of the Black Hawk vein was noted in the cores. According to the meagre geology and maps of the underground workings, the vein should have been encountered before the present depths were attained. A check of the cores by members of the U. S. Geological Survey with a Geiger counter revealed no uranium minerals. A study of the cores by the same personnel and by the applicant's engineer failed to disclose any cobalt mineralization although a small amount of galena was reported in the sludge from one of the holes at depth of about 800 feet.

ANALYSES OF ENTRIES ON FORM MF-104

Item 1. Contracts - Diamond Drilling. Hole No. 1 was 883 feet deep at the end of July. Hole No. 2 was 952 feet deep at the same time. The costs are calculated on the following basis.

CC W. H. King (Orig. & 6)
DMA-967K
DF

JHSoule':frj

| Hole No. | From | To | Advance | Rate | Amount |
|---|---|---|---|---|---|
| 1 | 538 | 700 | 162 | $5.00 | $810.00 |
| 1 | 700 | 883 | 183 | 5.25 | 960.75 |
| 2 | 596 | 700 | 104 | 5.00 | 520.00 |
| 2 | 700 | 952 | 252 | 5.25 | 1,323.00 |
| | | | | Total | $3,613.75 |

It will be noted that the above total is $10.00 less than the amount entered on Form MF-104. This is due to an error in the drill contractor's invoice where the starting point of Hole No. 1 is given as 536 feet. This is a 2-foot error as the starting point should have been 538 feet. As a check, 538 plus 596 equals 1,134 feet, the advance reported last month, and this multiplied by the $5.00 rate equals $5,670.00, the amount entered on the forms for the month of June.

Attention is brought to another question. According to the engineer's interpretation of the contract, only 400 feet of drilling is allowed below 700 feet at the increased rate of $5.25. Adding the advance in second and fourth lines above we find a total of 435 feet. This is 35 feet in excess of the 400 and it is felt that this excess footage should be paid at the $5.00 rate. This will reduce the above $3,613.75 to $3,605.00. Approval is given this latter amount. Original invoices covering this item accompany Form MF-104.

Item 2. Supervision is allowed at $150.00 per month and this sum is approved as entered on Form MF-104. This item is documented by a certified copy of the payroll.

Technical services consist of one engineer at $400.00 per month. This amount is approved as being within the terms of the contract and is supported by a certified copy of the payroll.

Item 7. The payroll taxes are entered as $35.28 which includes a $10.53 under charge in June. Evidently, the revised figures include payroll taxes derived from the supervisory item and to rectify a 40-cent error made in June. The calculations are shown as follows:

| Tax Item and rate | Supervision June $225.00 | Supervision July $150.00 | Technical services June $476.92 | Technical services July $400.00 |
|---|---|---|---|---|
| Soc. Sec. 1.5% | $3.375 | $2.25 | $7.15 | $6.00 |
| Fed. Unemp. 0.3% | 0.675 | 0.45 | 1.43 | 1.20 |
| State Unemp. 2.7% | 6.075 | 4.05 | 12.88 | 10.80 |
| Totals | $10.13 | $6.75 | $21.46 | $18.00 |
| | | | | 21.46 |
| | | | | 6.75 |
| | | | | 10.13 |
| | | | Grand Total | $56.34 |

The above grand total is entered in column 3 of Form MF-104. This amount, minus the June entry of $21.06, equals $35.28 which is entered for July on the form. Approval is given the payroll taxes of $39.46 derived from the engineer's salary but the taxes derived from supervision are questioned. They may be in order but special emphasis is given to the State Unemployment item where the taxes cease when $3,000.00 is earned during the calendar year. As the supervisor is vice president of the applicant company, his earnings may be in excess of the amount. Approval of this item is left to Denver. As these payroll taxes are remitted quarterly, the above amounts for the May-June period should have been paid in July while the taxes for July will be remitted in October. Final approval from the field depends upon documentary support of payment of the above items.

According to the Form MF-104, $4,209.03 was spent on the project during July bringing the total to date to $10,879.57. Suggested changes are lightly pencilled on the last carbon copy of Form MF-104. This makes the total spent for July, $4,173.40, and brings the totals to date to $10,843.94. Approval is given the corrected totals and entries.

DISCUSSION OF FORM MF-104A

All of the costs incurred during July are to be charged to core drilling. Corrections are shown on the last carbon copy of the form in light pencil. Approval is given this form with the corrections as noted. The unit costs to date per foot of drilling is $5.84, a reasonable figure.

John H. Soule

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

BLACK HAWK CONSOLIDATED MINES CO.

PAY ROLL FOR JULY, 1952

Docket No. DMEA 967X Contract No. Idm-E-289

| NAME | TIME WORKED | RATE | EARNINGS | SS | PR TAXES | DUE |
|---|---|---|---|---|---|---|
| E. H. Simon | 1 Mo. | $400.00 | $400.00 | $6.00 | 12.00 | 394.00 |
| Ira L. Wright | 1 Mo. | 150.00 | 150.00 | 2.25 | 4.50 | 147.75 |
| | | | 550.00 | 8.25 | 16.50 | 541.75 |
| Add $10.53 error in reporting for June | | | | | 10.53 | |
| | | | | | 27.53 | |

CERTIFICATION

I hereby certify that the above is a true copy of the July pay roll for this contract.

Ira L. Wright

Ira L. Wright, Vice Pres.

Month of July, 1952 Docket No. DMEA 967X Contract No. Idm-E 289

NARRATIVE REPORT

Drill hole #1 advanced from a depth of 536' to 883' or a total of 347'. E. H. Simon, engineer, checked the core constantly and panned the sludge for signs of mineral. Core recovery averaged 90% or more. About twice each week Mr. Kiliot Gillerman or one of his assistants from the Silver City office of the USGS visited the drills witha Geiger counter and tested the cores . Most of the core is granitic in appearance but short distances were drilled in a light colored porphyry, probably quartz monzonite. A very little galena was panned from the sludge around the 800' level. There was no indication of cobalt or uranium mineral in either the core or sludge.

Drill hole #2 was advanced from a depth of 596' to 952'. The same remarks may be made of Hole #2 as above in regard to Hole #1. There was probably more uniformity of the core as there was less of the porphyry.

It may be noted that both of these holes have been drilled deeper than was originally proposed. It was expected that the vein might be penetrated at a depth of 750'-800' but when the drills passed the 800' depth it was decided after conferring with the geologists from the USGS and Mr. Soule of the Tucson branch of the U.S. Bureau of Mines to continue the holes to a depth of 1000'. At this date, August 9, Hole #2 has reached a depth of 1001' and has been discontinued. Since there will be insufficient funds for two more holes only one will be drilled. This hole will be drilled 80' nearer the Black Hawk shaft parallel to No.s 1 & 2 but at minus 63° inclination.

Black Hawk Consolidated Mines Co.

By Ira L. Wright
Ira L. Wright, Supervisor

Form [illegible]104 (Rev.)
(A[illegible] 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION
# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952, 195____ Docket No. DMEA 967X Contract No. Idm-2-289
Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt Uranium
Address P. O. Box 231, Silver City, N. Mex.
Contract Amount, $ 20,000 Government Participation: 90 % Amount, $ 18,000

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 5670.00 | | 5670.00 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | 225.00 | | 225.00 | | | |
| Technical Services | 476.92 | | 476.92 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Coro Doxen | 195.96 | | 195.96 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | 81.60 | | 81.60 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 21.06 | | 21.06 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 6670.54 | | 6670.54 | 6670.54 | | 6670.54 |

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 1, '52 *Payee Black Hawk Cons. Mines Co.

Per Dean L. Wright Title Vice President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 6003.49

Signature [illegible]
(Authorized Certifying Officer)

Date 8/26/52 Vou. No. DMA 53-26

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1dmE 289 in accordance with the terms of the contract.

Signature John H. Sorle WRS Title Mining Engineer Date Aug 8. 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: $6003.49

Signature ..... Title ..... Date .....

# MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

*Preparation of Form MF-104—Operator's Monthly Report and Voucher.*—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form M[illegible]104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1952 Docket No. DMEA 267X Contract No. Idm-E-289

Operator's Name Black Hawk Consolidated Mines Co. Minerals Cobalt

Address P. O. Box 231, Silver City, N. Mex. Uranium

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | Foot | 6551.44 | 1134 | 6551.44 | 1134 | 5.78 | 2800 | 5.00 |
| Churn | | | | | | | 400 | 5.25 |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | Job | 119.10 | | 119.10 | | | | 100.00 |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 6670.54 | 1134 | 6670.54 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| | | | | | | | | |
| TOTAL COSTS | | 6670.54 | 1134 | 6670.54 | | | | |

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 1, '52 Operator Black Hawk Cons. Mines Co

Per Ira L. Wright Title Vice President

Ira L. Wright

REMARKS: Pay Roll includes D. H. Simon, engineer, at $400 per month beginning May23rd and Ira L. Wright Cosupervisor beginning May 16th at $150 per month

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

224 New Customhouse
Denver 2, Colorado

August 18, 1952

Memorandum:

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 967X, Contract Idm-E289, (Cobalt and Uranium), Black Hawk Consolidated Mines Co., Grant County, New Mexico-Operator's Monthly Progress Report, for the period June, 1952.

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $6003.49 which is 90 percent of the total of $6670.54.

We are approving this report although the operator failed to attach a certified copy of his payroll. The Operator's Narrative has given an account of the time that the supervisor and engineer spent at the project, but he will be informed that all costs, including salaries and wages must be documented on future reports. This is based on a ruling from the Contract Administration and Audit Division.

Actually the freight costs for the core boxes should have been shown as transportation or freight under item (8).

W. H. King
W. H. King

Enclosures

MINING DIVISION
REGION IV

August 8, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Dr., Mining Div., Region IV

Subject : May-June 1952 Progress Report, DMA Docket 967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

As requested in your memorandum of July 16 we have had Mr. Ira L. Wright of the above company change his forms MP-104 and 104A. Enclosed are the revised forms.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 10, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : May-June 1952 Progress Report, DMA Docket 967X, Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, N. Mex.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

(3) Form MF-104, with original supported by documentation.

Also enclosed are 2 extra copies of our engineer's report.

As all costs in this report conform to the contract, I recommend that the Government's share, or 90 percent be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Div., Region IV

CC W. H. King (6)
DMA-967X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 10, 1952

To : Walter R. Storms, Chief, Arizona-New Mexico Dr., Mining Div., Region IV, Tucson, Ariz.

From : J. H. Soule', Mining Engineer, Tucson, Ariz.

Subject : Progress Report for May-June 1952. Docket DMA-967X, Contract Idm-B289, Black Hawk Consolidated Mines Co. Black Hawk Silver, Uranium, Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico.

The Black Hawk mine was visited on May 15, June 4 and July 9, 1952. At the time of the July 9 visit, both drill holes were in excess of the footage reported on form MF-104. About 800 feet of road was repaired and drilling had started on the June 4 visit. No work was done on the May 15 visit although the road work was reportedly started soon thereafter.

ANALYSES OF ENTRIES ON FORM MF-104

Item 1. Contracts - Diamond Drilling. Hole No. 1 was reported to be 538 feet deep and Hole No. 2 was reported to be 596 feet deep on July 1. This is a total of 1,134 feet. According to the contract, $5.00 per foot is allowed and the total of $5,670.00 is entered on MF-104. This sum is approved and three supporting vouchers are attached to the original of MF-104.

Item 4. ~~Contracts - Bulldozing.~~ According to ammendment No. 1, $100.00 was allowed for this equipment in repairing the road. The bill submitted was for $81.60 which was for one job of road building. The road is satisfactory and reaches from Black Hawk Canyon to the drill sites.

This sum is approved and the supporting voucher is attached to the original MF-104.

Item 2. Supervision. This is allowed by the contract at $150.00 per month. As the supervisory time started May 16, 1½ months (second half of May and all of June) are submitted on MF-104. This amounts to $75.00 plus $150.00 or a total of $225.00. This sum is approved. Of the $75.00 entered for May, one half ($37.50) is charged to road building and one half to diamond drilling.

CC W. H. King (orig. & 6)
DMA-967X
DF

JHSoule':frj

Item 2. Technical Services. This is allowed at $400.00 per month and the total of $476.92 is approved. The breakdown is as follows:

| | | |
|---|---|---|
| May 5/26 | x 400 | $76.92 |
| June 1 mo. | x 400 | 400.00 |
| | Total | $476.92 |

Item 3. Core Boxes. Core boxes were purchased. The purchases totalled $195.96. They are detailed as follows:

| | | | |
|---|---|---|---|
| May 23 | 7 core boxes | @ $5.00 | $35.00 |
| June 21 | 29 core boxes | @ 5.00 | 145.00 |
| May 23 | Sales tax | @ 2% | .70 |
| June 21 | Sales tax | @ 2% | 2.90 |
| Freight - Total, both shipments, including tax | | | 13.06 |
| | | | $196.66 |

As only $195.96 was entered on MF-104, it is evident that the applicant failed to include one item of $0.70 for sales tax on the May 23 bill. The sum of $195.96 is approved and the supporting bills are attached to the original MF-104.

Item 7. Payroll taxes. This item totals $21.06 and is detailed as follows. Labor subject to payroll taxes, $476.92.

| | | |
|---|---|---|
| Social Security | @ 1.5% | $7.15 |
| State unemployment tax | @ 2.7% | 12.88 |
| Federal unemployment tax | @ 0.3% | 1.43 |
| | | $21.46 |

There is evidently a 30-cent error in the above and the smaller sum ($21.06) as entered on MF-104 is approved.

The May-June total for this project is $6,670.54 and is approved. Payment to the applicant of $6,003.49 is approved. This latter sum is 90 percent of the preceding.

John H Soule'

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

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John H Soule'

John H. Soule', Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

July 1,1952

NARRATIVE REPORT
Docket No. DMEA 967X Contract No. Idm-E-289

May 1[illegible]th: Ira L. Wright went to Black Hawk mine to see about best way to get road repaired to drill sites for No.'s 1 & 2 holes. Decided best to have bulldozer do the work.

May 1[illegible]th: Wade White, Contractor, repaired road at cost of $81.60

May 21st: Elliot Gillerman of the U.S.G.S. and Ira L. Wright located drill holes as follows;

No. 1 S85°E 280' from Black Hawk shaft to be drilled N20°W minus 70°

No.2 S83°E 330' from Black Hawk shaft to be drilled N20°W minus 70°

May 23rd: Drilling started at both holes.

E. H. Simon employed as engineer to check on sludge and see that cores properly marked and kept in core boxes provided for that purpose. Ira L. Wright and Elliot Gillerman visit operation from time to time to inspect cores. Core recovery has been nearly 100%.

June 30th: Depth of Hole No. 1 538' at which depth water was lost and hole had to be cemented. Most of the rock drilled has been gneiss carrying considerable Iron pyrite. Some porphyry drilled through but it did not have much iron. No. indication of cobalt or uranium or silver mineral.

Depth of Hole No. 2 596' and in porphyry which may be dike on hanging wall side of Black Hawk vein which is expected to be at depth of around 650'. Rock drilled through in this hole has been similar to that in No. 1.

Ira L. Wright
Ira L. Wright, Vice Pres.

BLACK HAWK CONSOLIDATED MINES COMPANY

PAY ROLL FOR JUNE, 1952.

Dookot No. DMEA 967X  Contract No. Idm-E-289

| NAME | TIME WORKED | RATE | EARNINGS | SS | PR TAXES | Due |
|---|---|---|---|---|---|---|
| E. H. Simon | 5/26 Mo. May | $400.00/mo. | 76.92 | 1.15 | 1.16 | 75.77 |
| E. H. Simon | 1 Mo. June | 400.00/mo. | 400.00 | 6.00 | 6.00 | 394.00 |
| Ira L. Wright | ½ Mo. May | 150.00/mo. | 75.00 | 1.13 | 1.12 | 73.87 |
| Ira L. Wright | 1 Mo. June | 150.00/mo. | 150.00 | 2.25 | 2.25 | 147.75 |
| | | | 701.92 | 10.53 | 10.53 | 712.45 |

CERTIFICATION

I hereby certify that the above is a true copy of the June Pay Roll for this contract.

Ira L. Wright

Ira L. Wright, Vice Pres.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SUMMARY

Rare and Misc. Metals Division

DMEA

Contract No. Idm-E289 (finalized by Region IV)
Docket No. DMA-967X
Contract date: April 11, 1952
Commodity: Uranium, ~~nickel~~, and cobalt
Contractor: Black Hawk Consolidated Mines Co.
Location of property: Grant County, New Mexico
Contract amount: $20,000.00
Government participation $18,000.00 (90%)

Audit Certificate: Dated June 12, 1953
Total Accepted Cost: $18,697.69
Government share-90% $16,827.92

Work was started on the project in May, 1952, and completed November 30, 1952. Three diamond drill holes were drilled, each to a depth of 1,000 feet, or a total of 3,000 feet of drilling. All cores were logged geologically and radiometrically as the drilling progressed. In addition, in February 1953 the holes were checked radiometrically by means of a Barnaby gamma-ray logging outfit.

The Operator's final report, dated May 25, 1953, was transmitted to the Washington Office by memorandum dated May 27. The Field Team's report, composed of final reports by the Geological Survey and Bureau of Mines representatives of the Field Team, was transmitted to Washington on July 2, 1953. The exploration work did not result in a significant discovery; therefore no certificate of a discovery or development was recommended by the Field Team.

The major portion ($15,261.75) of the cost covered diamond drilling at rates specified in an approved subcontract.

The Operator complied with the terms of the contract and final payment was processed by Region IV on July 2, 1953.

Accordingly, a "completion" letter was prepared by this Division on July 21, 1953.

F. L. Knouse
For: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Dec. 1 '54
Incl. Voucher for Nov. 1952

☑ Actual Cost

☐ Agreed Unit Costs

Name Black Hawk Consolidated Mines Co. Docket No. DMA 967X

State New Mexico Commodity ~~Cobalt Uranium~~ Uranium Idm-E No. 289

| OPERATION | AUTHORIZED Units | AUTHORIZED Cost | COMPLETED Units | COMPLETED Cost | NET COST |
|---|---|---|---|---|---|
| Drifting & Crosscutting | | | | | |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Drilling (Specify) Diamond | 3200 | 20,000 | 3,007 | 18,697.69 | 18,697.69 |
| Surface Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | | | | |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| New Building, Improvements, etc. | | | | | |
| Other (Specify) | | | | | |
| Totals | | $20,000.00 | | $18,697.69 | $18,697.69 |

Prepared by Ellis

UNITED STATES
ATOMIC ENERGY COMMISSION
Division of Raw Materials

Address reply to:
U. S. Atomic Energy Commission
Division of Raw Materials
Denver Exploration Branch
P.O. Box 7647, Lakewood Branch
Denver 15, Colorado
and refer to: DEB:WBM:btm

August 4, 1953

Mr. W. P. Williams, Executive Officer
U. S. Department of the Interior
Defense Minerals Administration
Washington, D. C.

Dear Mr. Williams:

Please refer to DMEA Application 2924 (Uranium), Lee D. Uto, Willard I. Knox applicants and lessees, Thayer, Kansas; parts of Sec. 8, T. 22 N., R. 4 E., Pawnee County, Oklahoma. If this application has been approved we would like to receive a copy of the DMEA Docket covering this loan.

Also in regard to the revised drilling program for the Black Hawk Mine, Grant County, New Mexico, DMA 967X (Uranium), if a final report has been prepared covering the results of the revised drilling program we would appreciate receiving a copy.

Very truly yours,

/s/ W. B. Meek

W. B. Meek, Chief
Reconnaissance Section

c
o
p
y
(Original in Docket DMEA-2924)

**August 19, 1953. Mr. J. O. Hosted, AEC representative in office. A copy of this letter was given to him, to which he will reply to Mr. Meek.**

**EWE**

STANDARD FORM NO. 64

7/22/53 gla

# Office Memorandum • UNITED STATES GOVERNMENT

Defense Minerals Administration

JUL 21 1953

TO : E. Wm. Ellis, DMEA Member
Uranium Commodity Committee

DATE: July 16, 1953

FROM : Arthur P. Butler, Jr., USGS Member
Uranium Commodity Committee

SUBJECT: Final Field Team Reports, Docket 967X (uranium cobalt), Contract Idm-E289, Black Hawk Consolidated Mines Co., contractor, Grant, New Mexico; Black Hawk mine, Sec. 21, T. 18 S., R. 16 W., Grant County, New Mexico

I have reviewed the final geologic and engineering reports prepared as a result of the completion of the exploration contract on the property as identified in the subject above.

Results and Comments

None of the 3 holes drilled to a depth of 1000 + feet each to intersect the Black Hawk vein intersected ore grade material. Only one hole intersected vein material of any kind.

The field team concludes that no certifiable discovery of ore was made.

Recommendations

I concur in the Field Team's conclusions.

Arthur P. Butler Jr.

Copy to E. Wm. Ellis (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 2, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, DMEA, Region IV

Subject: Docket No. DMA-967X (Cobalt-Uranium), Contract Idm-E289, Black Hawk Consolidated Mines Co., Grant County, New Mexico - Final Reports

Relative to an inquiry from the Chairman, Operating Committee, dated June 26, 1953, we are enclosing the following final reports relevant to work performed under the subject contract.

Taken out by M & F. pe

1. Original and one copy of the Operator's final Narrative Report

2. Original and three copies of the final geologic report by the Geological Survey

3. Original and three copies of the final engineering report by the Bureau of Mines.

One copy each of the geologic and engineering reports have been forwarded to Charles E. Towle of the Atomic Energy Commission.

The exploration project involved a total expenditure of $18,697.69 in which the Government participated to the extent of 90 percent, or to the amount of $16,827.92.

The operator has complied with the terms of the contract and final payment was processed by this office July 2, 1953.

The exploration work did not result in a significant discovery; therefore no certification of a discovery or development is recommended.

W. H. King
W. H. King

Reviewed by
DMEA OPERATING COMMITTEE
7-15-53
(date)

A. H. Koschmann
A. H. Koschmann

Enclosures

FINAL F.T. REP

Rec'd 7/10/53 M+F pe

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

MINING DIVISION
REGION IV

Mining Division
Date Rec'd
MAY 29 1953
BUREAU OF MINES
Denver, Colorado

TUCSON, ARIZONA

May 27, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Operator's Final Report, Contract Idm-E289, Docket DMA-967X, Black Hawk Consolidated Mines Co., Grant County, New Mexico.

Enclosed in quintuplicate is final report on the above property which we finally were able to get from the company's vice president. The report is brief but seems to cover the essential points.

Walter R. Storms

Walter R. Storms

CC W. H. King (4)
DMA-967X
DF

FINAL REPORT
by
BLACK HAWK CONSOLIDATED MINES CO.
on
EXPLORATION PROJECT CONTRACT
DMA 967X Idm-E289

Application for funds to pay for diamond drilling on the property of Black Hawk Consolidated Mines Co. in the Bullard's Peak Mining District was made in 1951 for the purpose of trying to intersect the Black Hawk vein and determine the amount of cobalt and uranium in the ore which might be in the vein at the point penetrated by the drill. The reason it seemed probable that ore carrying cobalt and uranium occurred in the vein was that pieces of high grade silver ore from the Black Hawk mine showed the presence of uranium by the Geiger counter and an analysis of a sample of ore taken from a winze sunk below the 8th level of the mine showed .90% of cobalt and 8.92% nickel. The Geiger counter showed the presence of uranium in the outcrop of the vein near the Black Hawk shaft on the Black Hawk claim and in pieces of ore found in the mine dump both uranium and cobalt minerals were identified by U. S. G. S. and U. S. Bureau of Mines geologists. Also samples of ore from the Alhambra mine in the same district showed a high percentage of uranium by the Geiger counter. After due consideration by DMA officials contract Docket No. DMA 967X Idm-E289 dated April 11th, 1952 was signed by J. H. East, Jr. Regional Director, Region IV, U. S. Bureau of Mines and Ira L. Wright vice-President, Black Hawk Consolidated Mines Co. The contract provided that 90% of the cost of the exploration was to be paid by the U. S. Government and 10% by Black Hawk Consolidated Mines Co.

In order to select the location of the diamond drill holes all available reports and maps were studied by Elliott Gillerman, U. S. G. S. geologist, John H. Soule, engineer with the U. S. Bureau of Mines Tucson Branch, W. R. Storms in charge, and Ira L. Wright vice-President Black Hawk Consolidated Mines Co. The following reports and maps were studied:

Report on the Properties of the Black Hawk Mining and Milling Co. Silver City, New Mexico by Walter Harvey Weed, E. M. Nov. 10, 1918, Supplemental Report by E. D. Lidstone on Black Hawk Mine Mar. 13,1917.

Report on the Geology of the Black Hawk Mine by A. A. Leach, March 9th,1917.

Assay report on 100 lbs. sample taken from bottom of winze 150 feet below eigth level of the Black Hawk mine submitted by E. D. Lidstone, Smith, Emery & Company, Engineers & Chemists, San Francisco.

Map Property of the Black Hawk Mining & Milling Co. Bullard's Peak Mining District, Grant County, New Mexico.

Horizontal Plan of Black Hawk Mine Levels December 1, 1916.

Horizontal Plan (Appears to be vertical Projections) of Black Hawk Mine, December 1, 1916. I.L.W.

Also talked with A. A. Leach, geologist, who still lives near Silver City and remembers the workings in the Black Hawk mine. He owns the Alhambra mine referred to above.

After due consideration of all the above information it was decided to try to cut the Black Hawk vein a short distance - less than 50 feet - below the level of the winze which was reported to be in high grade silver ore carrying values in cobalt and nickel at the bottom 150' below the 8th level with the first two drill holes. Accordingly a road was graded to the proposed sites and Nos. 1 and 2 holes were located and drilled as follows:

Hole #1 S 85° E 280' from Black Hawk shaft Drilled N 20° W -70°

Hole #2 S 83° E 330' from Black Hawk shaft Drilled N 20° W -70°

The approximate locations of these 2 drill holes may be seen by reference to maps and sketches accompanying the contract agreement. It was thought the Black Hawk vein would be penetrated at not more than 800' depth but when no sign of vein had been found down to that depth it was considered best to continue the holes with the hope of cutting the vein at lower depth but at 1000' both holes were discontinued without having disclosed any ore or what looked like vein material. The sludge was constantly panned and core recovery was better than 90%. Most of the core was granite gneiss carrying 5 to 10% iron pyrite but some narrow monzonite dykes were penetrated - probably not greater than 10' normal width. Hole #1 was stopped at 1002' Sept. 2nd, 1952, #2 Hole at 1001' August 5th, 1952.

Since drill holes 1 and 2 had used up more funds than had been estimated it was realized there would be left only enough to permit one more hole to be drilled under the contract. Accordingly Hole #3 was located and drilled as follows:

S 75° E 200' from Black Hawk Shaft Drilled N 20° W -63°

This hole showed much the same granitic gneiss as holes 1 and 2 and short patches of monzonite but at depth 641' to 653' the core was quartz or highly silicified fine grained granite carrying small specks of a black mineral.

3 samples were assayed with results as follows:

| Depth | Silver | Uranium |
|---|---|---|
| 641' - 646' | .32 ozs. | None (Tested by U. S. B.M.) |
| 646' - 649' | .12 ozs. | None (Tested by U. S. B. M.) |
| 649' - 653' | .50 ozs. | None (Tested by U. S. B. M.) |

The hole was continued to a depth of 1004' reached Nov. 5, 1952. No further sign of mineral other than iron pyrite was found.

As insufficient funds remained for the completion of another hole drilling was discontinued and the cores left in the trays at a point on the property where they are available for inspection.

While these drill holes did not disclose cobalt or uranium minerals the possibility of their occurrence in appreciable quantity is not disproved. The high grade silver ore was extremely erratic in occurrence in the vein and I was not very optimistic in expecting good results of the diamond drilling. It would be more satisfactory to open the Black Hawk shaft, pump out the mine and get at the faces where ore is reported to be exposed. It is recognized that this district is one of a type where uranium minerals may occur. The whole Burro Mountain area is Pre-Cambrian granite and the gneiss at Black Hawk is probably a metamorphosed form of that granite. The high grade silver ore accompanied by cobalt and nickel is very similar to the pitchblende ore of Great Bear Lake in Canada.

Ira L. Wright

Ira L. Wright, Vice President
Black Hawk Consolidated Mines Co.

May 25, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

200 New Customhouse
Denver 2, Colorado

March 27, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 967X, Contract Idm-E289, Final Report, Black Hawk Mine, Grant County, New Mexico. (Uranium-Nickel-Cobalt)

Enclosed are 11 copies of a memorandum report by Elliot Gillerman of the U. S. Geological Survey covering the above docket.

As no significant ore was penetrated in this program, it has been recommended that no certification of discovery be made.

Ogden Tweto
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
7-15-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O.Box 4126, University Station
Tucson 5, Arizona

March 24, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Final Report, Idm-E289, Black Hawk Mine, Grant County, New Mexico (Uranium-Nickel-Cobalt)

Enclosed are 11 copies of a memorandum by Elliot Gillerman of the Geological Survey on the results of the above DMEA exploration project.

As no significant ore was penetrated in this drilling program a certification of discovery should not be made.

A. F. Shride
A. F. Shride
Acting District Supervisor
Arizona-New Mexico

Enclosures 11

Reviewed by
DMEA OPERATING COMMITTEE
7-15-53
(date)

MAR 1953
RECEIVED

C
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P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Silver City, N. M.
March 17, 1953

Memorandum

To: Mr. A. F. Shride, Tucson, Arizona

From: Mr. Elliot Gillerman, Silver City, N. Mex.

Subject: Final Appraisal of Exploration Program, Docket DMA-967X, Black Hawk Mine (uranium-nickel-cobalt), Grant County, New Mexico

With reference to Docket DMA-967X and Contract Idm-E289, exploration for uranium, nickel, and cobalt at the Black Hawk mine, Grant County, New Mexico, the drilling at this project was completed Nov. 30, 1952. Three diamond drill holes were drilled, each to a depth of 1,000 feet, or a total of 3,000 feet of drilling. All cores were logged geologically and radiometrically as the drilling progressed. In addition, in February 1953 the holes were checked radiometrically by means of a Barnaby gamma-ray logging outfit.

No radioactivity was noted either in the drill cores or the holes. No vein material was noted in holes nos. 1 or 2 and they apparently did not pass through the Black Hawk vein. Hole no. 3 passed through vein material, probably the Black Hawk vein, but possibly a parallel vein, at depths of 641 feet to 651 feet in the hole. The vein material consisted of carbonate gangue containing small grains of metallic minerals. This material was assayed for cobalt and nickel by the U. S. Bureau of Mines and for silver by the Black Hawk Consolidated Mines Company. No nickel or cobalt was noted and the results of the analyses for silver are as follows:

| | | |
|---|---|---|
| Hole No. 3 - 641'-646' | .32 | oz/ton |
| " " " - 646'-649' | .12 | " " |
| " " " - 649'-653' | .50 | " " |

The failure of holes nos. 1 and 2 to pass through the vein may have been due to deflection of the hole, but more probably was due to the inaccurate location of the underground workings, as these were plotted from old admittedly inaccurate maps - the only ones available. Thus the failure of the drilling program to find commercial quantities of nickel, cobalt, or uranium should not be a condemnation of the property. As set forth in the report on the examination of this property, drilling was not the best method to explore this deposit.

Reviewed by
DMEA OPERATING COMMITTEE
7-15-53
(date)

/s/ Elliot Gillerman

/t/ Elliot Gillerman

MAR 1953
RECEIVED
U.S. Geological Survey
Denver

Mining Division
Date Rec'd.
JAN 14 1953
BUREAU OF MINES
Denver, ~~Tucson~~, ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
MINING DIVISION
REGION IV

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

January 12, 1953

Memorandum

To: W. H. King, Chief, Mining Div., Region IV

From: Chief, Mining Methods Branch, Mining Div., Region IV

Subject: Final Report, Docket DMA-967X, Contract Idm-E289, Black Hawk Consolidated Mines Co's. Black Hawk Mine (Uranium-Cobalt), Bullards Peak Mining District, Grant Coutny, N. Mex.

Enclosed are original and 8 copies of the final report on the above project by J. H. Soule' of the Bureau of Mines. The company's final report will be submitted as soon as all payroll tax receipts have been received.

This report has my approval.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
A. F. Shride
DMA-967X
DF

Reviewed by
DMEA OPERATING COMMITTEE
2-15-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-967X, Contract Idm-E289

Black Hawk Consolidated Mines Co's.

Black Hawk Mine,

Bullards Peak Mining District

Grant County, N. Mex.

Uranium-Cobalt

John H. Soule', Mining Engineer
U. S. Bureau of Mines

January 1953

Reviewed by
DMEA OPERATING COMMITTEE
7-15-53
(date)

DMA-967X, CONTRACT Idm-E289,
BLACK HAWK CONSOLIDATED MINES CO'S.
BLACK HAWK MINE,
BULLARDS PEAK MINING DISTRICT
GRANT COUNTY, N. MEX.

URANIUM-COBALT

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## CONTENTS


| | Page |
|---|---|
| Summary | 1 |
| Introduction | 2 |
| Acknowledgments | 2 |
| Location, topography and physical features | 3 |
| History and production | 4 |
| Ownership and Extent | 4 |
| Description of the deposits | 5 |
| Mine workings | 6 |
| Project work | 6 |
| Project results | 9 |
| Ore reserves | 10 |
| Conclusions | 10 |


## TABLES


| Number | | Page |
|---|---|---|
| I | Cost details | 8 |
| II | Cost distribution | 8 |


## ILLUSTRATIONS


| Figure | | Following page |
|---|---|---|
| 1 | Location map | 3 |
| 2 | Claim map | 3 |
| 3 | Surface map | 5 |
| 4 | Level plans | 6 |
| 5 | Sections | 6 |

## SUMMARY

The old Black Hawk mine in the Bullard Peak Mining District of Grant County, N. Mex. was discovered in the 1880's and was worked for a few years. It has been idle since 1917 when attempts were made to reopen the property. High-grade silver ores were produced from the operation. Cobalt, nickel and uranium minerals were reported in the ores in addition to the silver. Because of these critical minerals, the owner of the property, the Black Hawk Consolidated Mines Co., applied for Government assistance to explore the mine under the Defense Production Act of 1950, as amended. The application , Docket DMA-967X, was approved after an examination of the property, and a contract, Idm-E289, was executed.

Work was started on the project in May 1952 and completed in November of the same year. Three diamond core drill holes were completed to approximate depths of 1,000 feet for a total of 3,007 feet of drilling. The approximate cost of the project was $18,697.69.

The mine was developed to a depth of 600 feet by a shaft and winze with 10 levels extending therefrom. Maps of this old work are not in agreement and the data derived from them seems to indicate that some of the drill holes may not have reached their objective.

No ore minerals were noted in the cores from the drill holes and no ore reserves can be calculated for the property.

## INTRODUCTION

The old Black Hawk mine was visited several times in the 1940's by engineers of the Bureau of Mines with a view to a possible nickel-cobalt development project. Later in the decade, the possibility of uranium minerals added further interest to this property, as well as others in the district.

All of the underground workings were inaccessible during the examinations and much reliance was placed upon old reports and conversations with persons acquainted with the property. Slight radioactivity was observed in some of the dump material and nickel-cobalt minerals were noted on a nearby mine dump.

The owners of the property decided to request Government aid to explore the mine for cobalt and uranium minerals. The application, Docket DMA-967X, was submitted and approved. A contract, Idm-E289, was issued to the Black Hawk Consolidated Mines Co. and work on the project was started in May 1952.

## ACKNOWLEDGMENTS

Acknowledgment is due Ira L. Wright, Manager for the Black Hawk Consolidated Mines Co., for information derived from the work on the project and for his cooperation in matters pertaining to the project.

Acknowledgment also is made of the material derived from reports by engineers of the Bureau of Mines.

## LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Black Hawk mine is situated in the Bullard Peak Mining District about 21 miles by road west-southwest of Silver City, N. Mex. , and some 2 miles northeast of Bullard Peak, in Grant County, N. Mex. The mine is situated near the center of sec. 21, T. 18 S., R. 16 W. (see figures 1 and 2).

To reach the Black Hawk mine, travel westerly from Silver City on U. S. Highway 260 for 14 miles, then just 0.5 miles beyond the junction of this highway with State Route 25, turn left or southerly through a cattle guard and across the Mangas Valley, thence westerly down the Mangas to the mouth of Black Hawk Canyon. Follow up this canyon, past Saddle Rock Canyon on the right, to the mine at the end of the road in Black Hawk Canyon. It is about 7 miles from Highway 260 to the mine. All of the road up the canyon is in the bed of the creek and becomes difficultly passable when not used continuously or after heavy rains (see figure 1).

The topography is moderately rugged at the mine, becomes more so to the west and south, and less so to the northeast. The altitude is approximately 6,000 feet above sea level.

The region is covered with scattered junipers and small pines, with scrub oaks and other brush on the lower slopes. Large cottonwood trees grow in spots along Black Hawk canyon. No permanent streams are found nearer than the Gila River, some 7.5 miles to the northwest. A small amount of water may be developed in Black Hawk canyon by digging

shallow wells. Annual precipitation amounts to about 17 inches with heavy rains during the summer months and a small amount of snow during the winter.

## HISTORY AND PRODUCTION

The initial boom in the Bullard Peak (sometimes called the Black Hawk in early publications) mining district was started in 1881 when high-grade silver float was discovered on the surface at the present site of the Alhambra mine. Subsequent prospecting soon led to the discovery of the nearby Black Hawk mine.

The district is reported to have produced from $1,000,000 to $1,500,000 from the time it was discovered in 1881 until 1893, when most of the work ceased due to the decline of the price of silver and the depletion of most of the bonanza ore. Production from the Black Hawk mine is estimated to be from $600,000 to $650,000. Nearly all of this production has been high-grade silver ore which probably was sold to mills and smelters, then operating in the Silver City area. Shipments of ore assaying as high as 15,000 ounces of silver a ton are reported from the district. No nickel-cobalt nor uranium ores have been produced.

## OWNERSHIP AND EXTENT

The Black Hawk mine is owned by the Black Hawk consolidated Mines Co., of Milwaukee, Wis. Ira L. Wright of Silver City, N. Mex. is General Manager. The property consists of 8 patented claims and fractions,

the Black Hawk (M. S. 364), the Silver Glance (M. S. 366A), the Chicago (M. S. 771), the Surprise (M. S. 367A), the Extension (M. S. 772), the Little Rhody (M. S. 365A), the Kent County (M. S. 778), and the Cornucopia (M. S. 770). The approximate area covered by these claims is 72.9 acres (see figure 2).

## DESCRIPTION OF THE DEPOSITS

The Black Hawk mine lies within a large mass of pre-Cambrian crystalline rocks that are common to western Grant County, N. Mex. East of the mine, these rocks are covered with late Tertiary and Recent gravels and to the north a few miles are covered with Tertiary volcanic rocks. A large intrusive mass of monzonite porphyry, extending easterly and westerly, is a short distance north of the mine.

The pre-Cambrian rocks are coarse-grained, dark-colored gneiss, intruded by pink granite, quartz diorite, and rhyolite in addition to small dikes and sills of the monzonite porphyry that constitutes the large intrusive to the north.

The Black Hawk vein is one of numerous well defined fissure veins of the district. It strikes about N. 55° E. and dips, averaging probably steeply, to the northwest (see figure 3). Many intersecting fractures occur, some of which are mineralized. The oreshoots are very narrow and irregular although on occasion widths up to 10 feet were encountered.

Native silver was reported to be the economic mineral of the oxidized zone. Argentite, associated with niccolite and cobaltite, was more common in the primary zone. Copper was unimportant and lead was minor in quantity. The gangue was largely carbonate ranging from calcite to siderite.

## MINE WORKINGS

The Black Hawk mine was developed by a shaft, vertical for 110 feet, then inclined for nearly 400 feet, and a 150-foot winze from the lowest shaft level. The total vertical development is nearly 600 feet. Lateral workings extend from the shaft and winze, and reach maximum distances of about 415 feet east of the shaft and about 230 feet west of it. Other shallow shafts and mine workings develop the vein to a minor extent (see figures 3 and 4).

There are a number of old maps of various parts of the mine. Studying these reveals that there are some serious discrepancies and maps of the same workings do not check. Two level plans are shown in Figure 4. It seems that those marked Data-A are more reliable than those marked Data-B. Cross sections based on both sets of data are shown in figure 5.

## PROJECT WORK

The contract, Idm-E289, for the Government assisted exploration of the Black Hawk mine was dated April 11, 1952. The work was to consist of drilling four or more diamond core drill holes to an estimated total depth of 3,200 feet. Five months was estimated to be the time necessary to complete the project and $20,000 was the estimated cost.

Work was started on May 12, 1952 when the operator visited the project site. Road repairs were made on May 18, 1952 and the drill sites for the first two holes were located on May 21, 1952. The drill contractor moved to the area and started drilling on May 23, 1952 and continued until hole No. 3 was completed on November 5, 1952, a little more than the 5 months estimated in the contract. Two drill machines worked one shift per day as long as two holes were in progress. Only three holes were drilled instead of the 4 or 5 estimated in the contract. Hole No. 1 bottomed at a depth of 1,002 feet, No. 2 at 1,001 feet, and Hole No. 3 at a depth of 1,004 feet for a total of 3,007 feet. Core recovery was generally excellent. The final costs are estimated to be $18,697.69 and are detailed in Table I. The distribution of these costs is shown in Table II. Unit costs of $6.18 are indicated for the drilling.

TABLE I. - Cost Details.

| Period | Labor (Bulldozer) | Labor and supervision: Engineer | Labor and supervision: Supervision | Insurance and taxes | Contract 0-700 ft. | Contract /700 ft. | Core boxes | Assaying |
|---|---|---|---|---|---|---|---|---|
| Estimated | $300.00 | $2,200.00 | $750.00 | $150.00 | $14,000.00 | $2,100.00 | $200.00 | $200.00 |
| May-June | 81.60 | 476.92 | 225.00 | 11.24 | 5,670.00 | | 195.96 | |
| July | | 400.00 | 150.00 | | 1,330.00 | 2,283.75 | | |
| August | | 400.00 | 150.00 | | 1,885.00 | 840.00 | 53.12 | |
| September | | 400.00 | 150.00 | | 1,590.00 | 42.00 | | |
| July-Sept. | | | | 26.40 | | | | |
| Oct.-Nov. | | 500.00 | 200.00 | 11.20 1/ | 25.00 | 1,596.00 | | 4.50 |
| Totals | $81.60 | $2,176.92 | $875.00 | $48.84 | $10,500.00 | $4,761.75 | $249.08 | $4.50 |
| Balance 2/ | $218.40 | $23.08 | ($125.00) 3/ | $101.16 | $3,500.00 | ($2,661.75) | ($49.08) | $195.50 |

1/ Not yet applied for.
2/ Does not include $100.00 allowed for small tools and not spent.
3/ Red.

TABLE II. - Cost distribution.

| Item | Labor (Bulldozer) | Labor and supervision: Engineer | Labor and supervision: Supervision | Insurance and taxes | Contract drilling | Core boxes | Assaying | Total |
|---|---|---|---|---|---|---|---|---|
| Roads | $81.60 | | $36.91 | $00.59 | | | | $119.10 |
| Drilling | | $2,176.92 | 838.09 | 48.25 | $15,261.75 | $249.08 | $4.50 | 18,578.59 |
| Totals | $81.60 | $2,176.92 | $875.00 | $48.84 | $15,261.75 | $249.08 | $4.50 | 18,697.69 |


8

## PROJECT RESULTS

The results derived from the drilling were very disappointing. Nothing of interest was noted in any of the holes. It may be that the holes intersected the veins at tight places where mineralization was lacking although this seems unlikely for the three holes. A better explanation is found by referring to Figure 5. There, it is noted that Hole No. 1, Section B-B, (B-B), was the only one properly placed to intersect the vein near the target area. It also is noted that this applies only to the information derived from Data-A. A deviation of the drill hole greater than normal or a slight flattening of the dip of the vein towards the north would tend to make an intersection improbable. Based on Data-B, Section A-A, the intersection of the drill hole and the vein was very unlikely unless some abnormal and unknown condition prevailed. A little galena was reported from the sludge obtained near 800 feet but nothing was noted in the core.

Using either Data-A or Data-B, and allowing for a normal deflection of Hole No. 2 as shown in section C-C, figure 5, intersection of this hole with the vein was improbable with either set of data.

Hole No. 3 was drilled at a flatter dip ($-63^{\circ}$ instead of $-70^{\circ}$ as for holes 1 and 2) and this hole could have intersected the vein between 350 and 400 feet with either set of data. This is far above the desired target. No vein was noted in the cores at the above depth. However, some mineralization was noted at a depth of 650 feet.

Referring to Section A-A, figure 5, it seems that this mineralization is too far to the north to be considered the Black Hawk vein unless the flat fault reported by geologists (1917) near the 8th level has a very small throw. This is not borne out by Sections B-B and C-C. The mineralization at 650 feet was sampled and contained no silver, cobalt nor uranium.

It is repeated here that discrepancies exist in old maps and that their accuracy is questioned. The information put forth under Data-A seems more reliable than that of Data-B.

The cores were periodically examined and logged by members of the U. S. Gological Survey who tested them with a Geiger counter. No radio-activity was reported from any of the core.

## ORE RESERVES

No ore was encountered in any of the drill holes, therefore no ore reserves can be calculated for the Black Hawk mine.

## CONCLUSIONS

The following conclusions were derived from data pertaining to the Black Hawk mine and from old reports and maps, as well as the recent drilling:

1. Old maps of the mine are in disagreement. Most of the project planning seems to have been done with a map based on Data-B. Study seems to indicate a greater reliability for those with Data-A.

2. No cobalt nor uranium minerals were noted in any of the cores.

3. No ore reserves can be calculated for the data derived from the drilling.

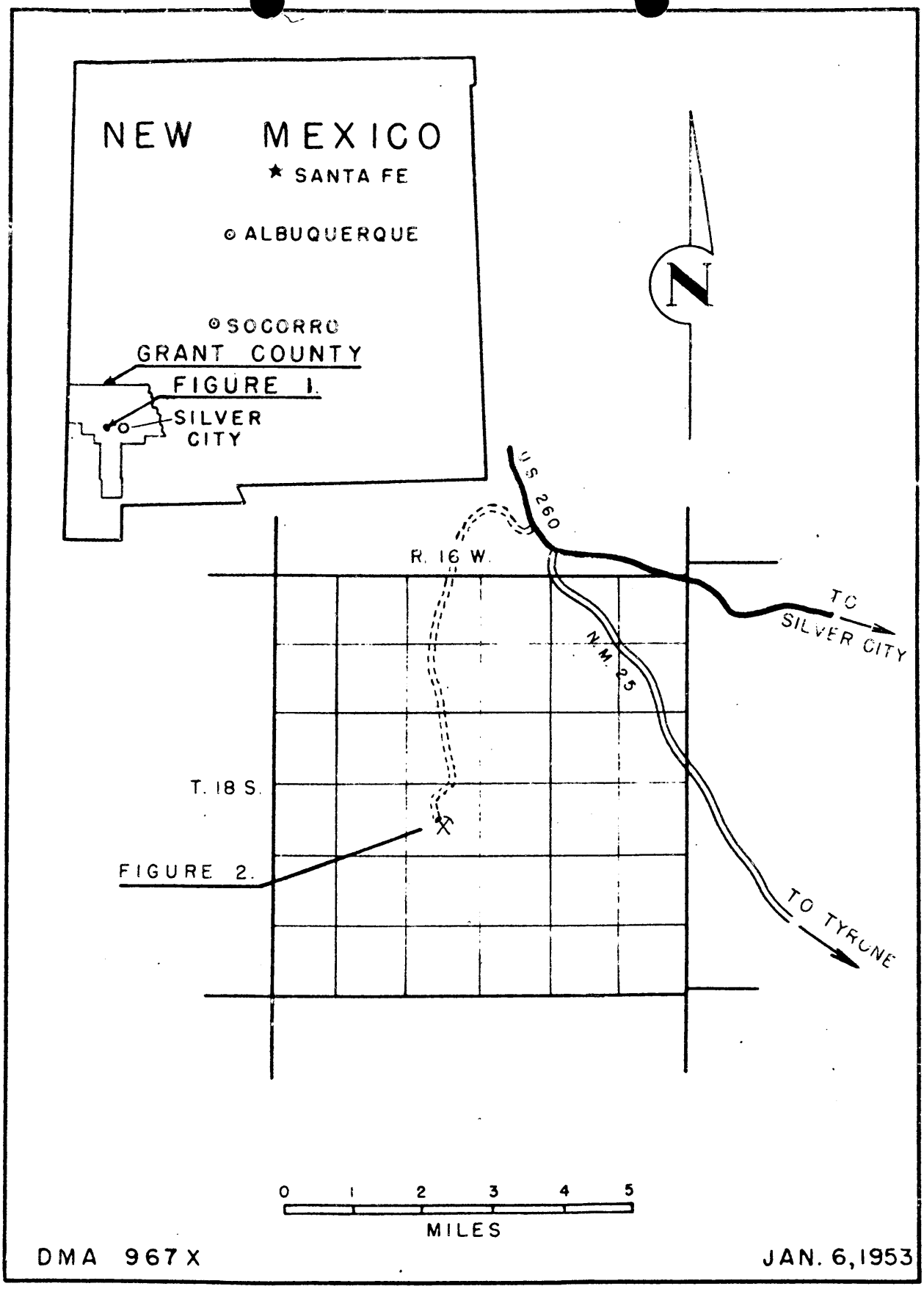


FIGURE 1.- LOCATION MAP, BLACK HAWK MINE, GRANT COUNTY, N. MEX.

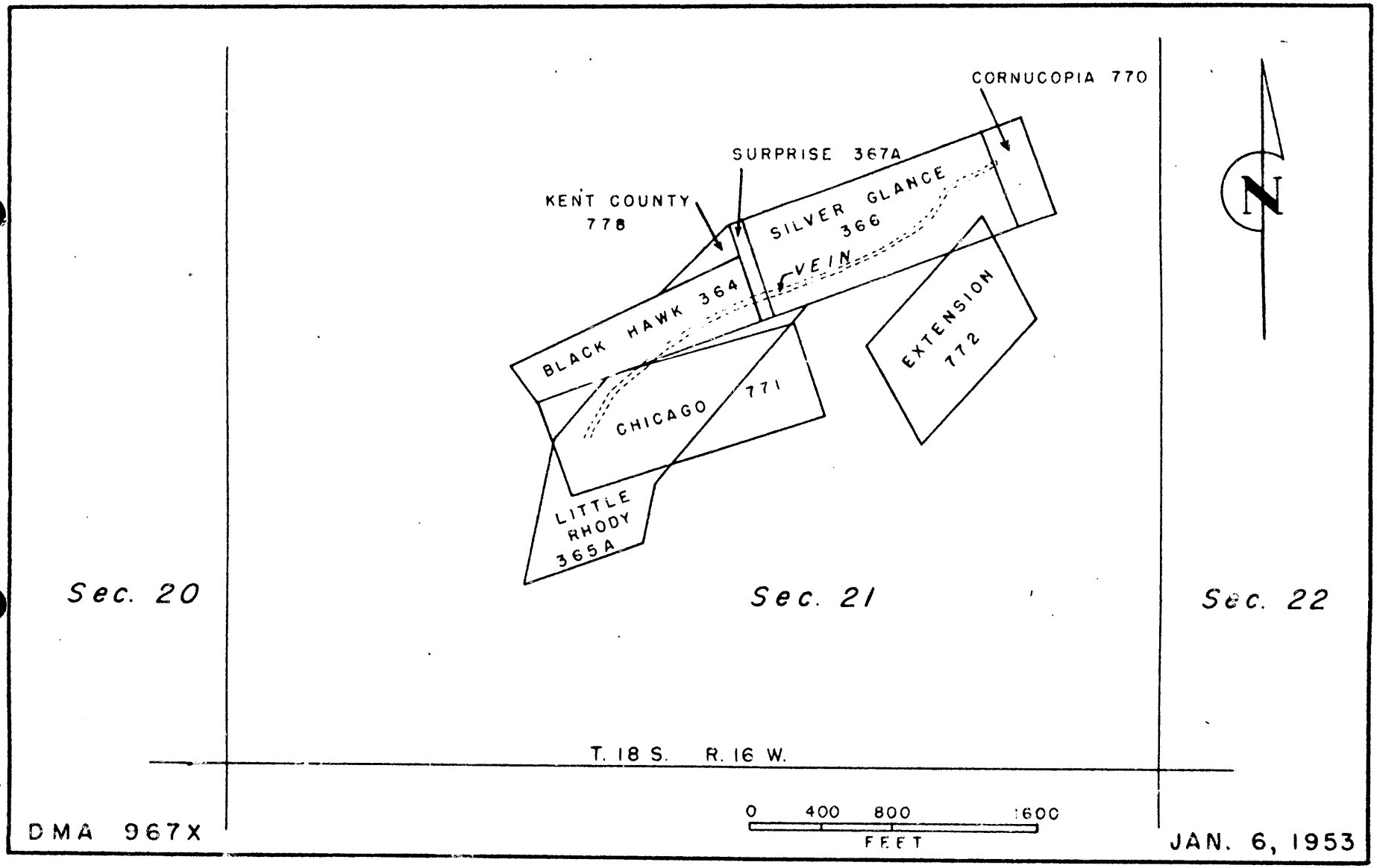


FIGURE 2.- CLAIM MAP, BLACK HAWK MINE.

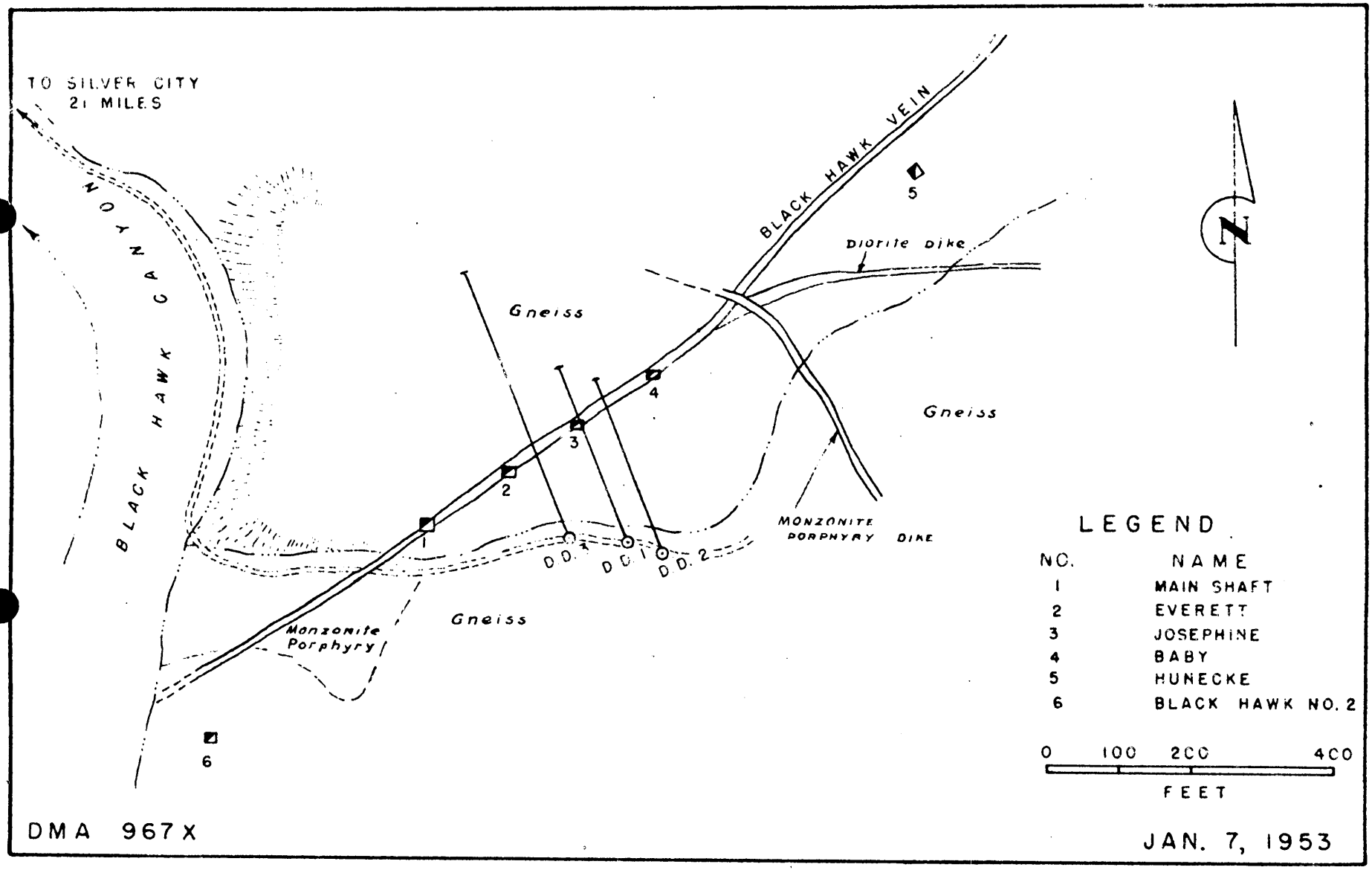


FIGURE 3. - SURFACE MAP, BLACK HAWK MINE, NEW MEXICO

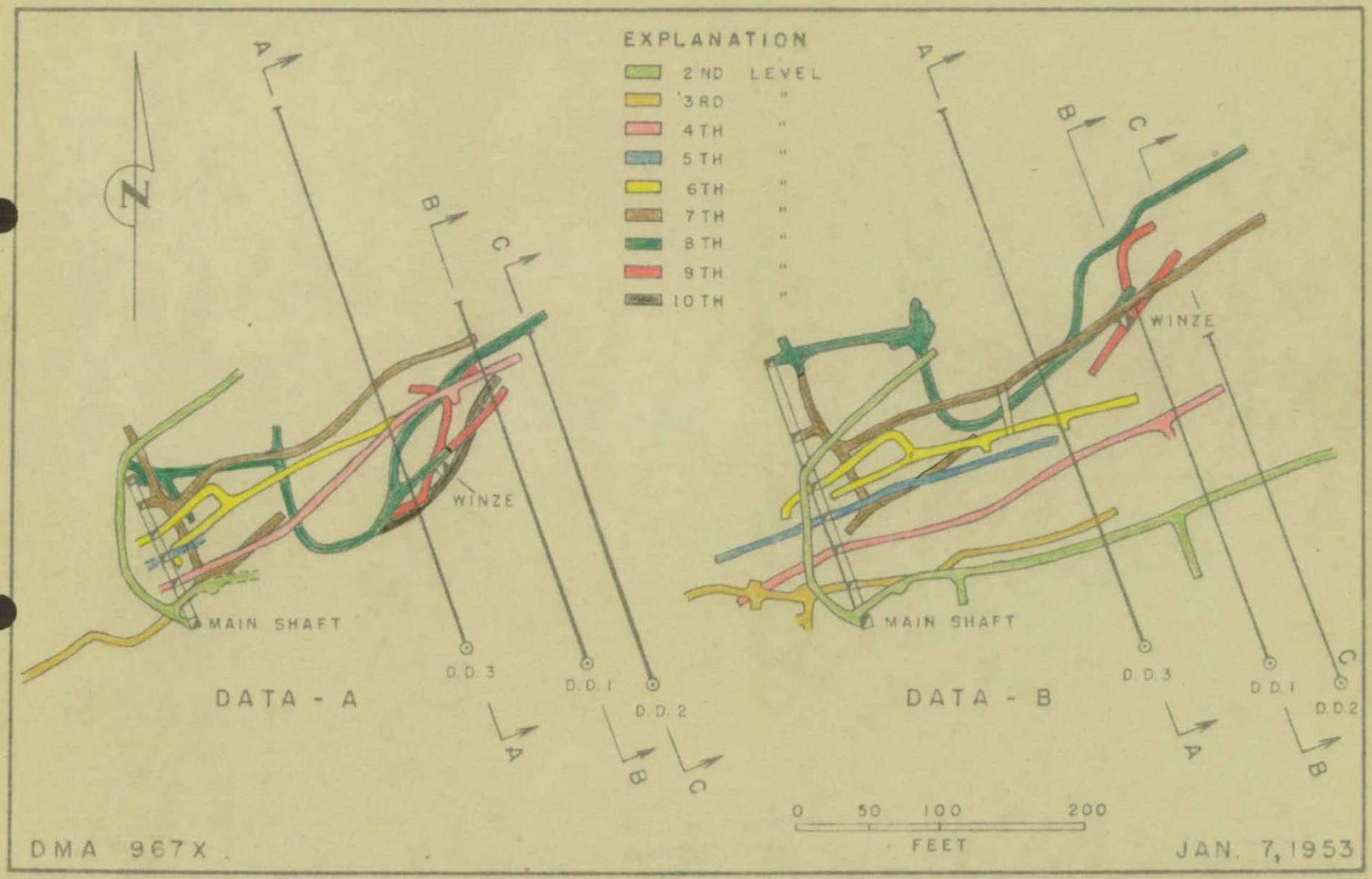


FIGURE 4. - LEVEL PLANS AND DRILL HOLES

FILE COPY
SURNAME:

Docket.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JUN 2 6 1953

Mr. L. H. King
Executive Officer
DMSA Field Team, Region IV
22h New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-967X (Cobalt and Uranium)
Contract No. Lim-E289
Black Hawk Consolidated Mines Company
Grant County, New Mexico

Dear Mr. King:

We note in your monthly report for December, 1952, on operating projects, that the work under the captioned contract was completed and that no discovery was made. However, to date we have not received the final report of the Operator nor the Field Team's engineering report. We understand that a final audit of the accounts has been made.

We would appreciate being advised when you will forward these reports to Washington.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Also to:

J. H. Hedges
Member, Bureau of Mines (SHB)

A. R. Kinkel, Jr.
Member, Geological Survey (SHB)

EWEllis/db
6-25-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Keiser, Rm. 3641
A.P.Butler, Jr., Rm.3206, OSA
Ellis

6-26-53

FILE COPY
SURNAME: 800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Chambers

JUN 26 1953

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. Finch:

Reference is made to your letter of June 18, 1953, transmitting Report of Review for Black Hawk Consolidated Mines Company, Contract No. Idm-1289, Docket No. DMA-967X. The revised Report has been accepted and may be distributed in the usual manner.

Your letter also dated June 18, 1953, transmitting Audit Certificates and Audit Reports for Eureka Tungsten, Contract No. Idm-853, Docket No. DMA-1567X, has been received and the Report and Certificates have been accepted for distribution.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

J.H.
6-26-53

WBorovies/wb
June 26, 1953

Copy to: Docket (2) DMEA 967
Admr. Reading File
Mr. Chambers

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Talbert
Chambers

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

JUN 16 1953

Re: Idm-E289, DMA-967X
Black Hawk Consolidated
Mines Company

Dear Mr. Finch:

The Report of Review covering the referenced project, as transmitted by your letter of June 12, 1953, is returned herewith for insertion of the following additional reason for review in lieu of audit:

"The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder."

This reason should always be included in all Reports of Review covering project contracts on an actual cost basis. In the reviews of contracts of relatively small value the additional words "the value of the contract or" should be inserted immediately following the words "in relation to".

The Reports of Review covering IDM-E326, DMEA-2320, Coughlin and Henderson, and Idm-E473, DMEA-2005, Metate Asbestos Corporation have been accepted for distribution.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

mdl
6-16-53

Enclosure
EDTalbert/wb
June 16, 1953

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

March 2, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 1953

DMA-967 X

To: W. H. King, Executive Officer, DMEA

From: Donald T. Finch, Auditor

Subject: Report of Review - Black Hawk Mining Co. E289

The documentation submitted by the Operator to support the costs incurred in connection with Exploration Contract No. E289 has been reviewed.

The total costs have been reconciled with the Engineer's Report.

On February 23, 1953, Mr. Soule, Engineer, and I conferred at Silver City, New Mexico with Mr. Joseph B. Turner, Accountant for the contractor.

As the matter now stands, it appears the operator will file a final MF-104 Report for $11.20 of Payroll Taxes applicable to the months of October and November, 1952. Mr. Turner was advised that it would be necessary for the operator to file a final engineering report.

The issuance of a report of review will be deferred until the final reporting is received from the contractor.

Donald T. Finch

Donald T. Finch

DTF:es

cc: JL Chambers
Chron.
Subject

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

800

Talbert & Chambers

OCT 9 1952

Mr. Thomas N. Bruding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Dear Tom:

The Administrative Audit Difference Statements attached to the copies of paid Forms MF-104 recently received from Region IV indicate the institution of an apparently new policy of disallowing payroll taxes until a copy of the quarterly statement of payroll tax is received. No explanation of this change in policy is disclosed except in a memorandum dated September 4, 1952, from Mr. King to Mr. Christensen, relative to the July, 1952, report of Black Hawk Consolidated Mines Company, Docket 967X, Contract Idm-X299, which states in the third paragraph:

> "An auditor has been consulted on the question of F.U.T.A. and he suggests that the total amounts claimed for both F.I.C.A. and F.U.T.A. for June and July be disallowed until such time as the operator submits as documentation copies of his quarterly reports to substantiate these amounts."

The Exploration Project Contract forms provide for payment on the basis of "costs incurred" (Art. 13 of MF-200, June, 1951) and "costs incurred, as they accrue" (Art. 8 of MF-200, Rev. Feb. 1952). Furthermore, the Federal Social Security Tax and Unemployment Tax are fixed at rates of 1.5 per cent and .3 per cent, respectively. Only the State Unemployment Tax has a rate varying in accordance with experience or other factors, and this rate ordinarily can be established by requesting the Operator to furnish a copy of the State's notification of the rate applicable to its payroll.

The continual disallowance of the monthly accruals of payroll taxes, followed by subsequent quarterly reclaims and allowances, appears to put an unnecessary burden of additional work on both the Operator and the Certifying Officer. The usual practice in other Regions is to require the Operator to indicate

his computations on either the bottom of the payroll transcript or in a separate memorandum supporting the monthly Form MP-104. Since all projects are subject to final audit or review, and interim payments are considered as being "provisional" payments, this Division questions the propriety of these disallowances under our established policy.

It is requested that you look into this matter and advise me of your findings.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

J.H.
10-9-52

EDTalbert/wb
October 9, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Bailey
Mr. Chambers

9/12/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 2, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 1, Contract Idm-E289 (Lead-Zinc-Copper), Docket No. DMA-967X, Black Hawk Consolidated Mines Co.

The contract provides for laborers on a hourly wage to repair roads to the drill sites. The operator stated that this work could be done cheaper with a bulldozer. Accordingly we prepared Amendment No. 1, which provides for rental of a bulldozer.

A copy of a letter from the operator requesting this amendment is attached.

W. H. King

W. H. King

Enclosure

COPY

BLACK HAWK CONSOLIDATED MINES CO.
P. O. Box 231
Silver City, New Mexico

Ira L. Wright
General Manager

May 13, 1952

Defense Minerals Administration,
224 New Customhouse
Denver 2, Colorado

Attention: Mr. W. H. King

Gentlemen;

Reference is made to Explration Project Contract Idm-E289, Docket DMA 967x.

Under the heading Labor and Supervision, the item 3 laborers at $1.50 per hour- - - $300.00 was allowed as the estimated cost of repairing the road to the drill holes No's 1 & 2 locations. Yesterday Mr. Matheny, diamond drill contractor and I went out there with a dozer man and he estimated that he could do the work at about one half what had been estimated as the cost of doing the work with pick and shovel so if it is agreeable with you I will have the repairs made with the dozer. He told me he could do the job not later than next Sunday. If there is any objection to this change please telephone me collect.

Mr. Matheny is ready to start work as soon as the road repairs are made.

Yours very truly,

/s/ Ira L. Wright
Ira L. Wright

Copy to Mr. W. R. Storms
U. S. Bureau of Mines,
Box 4097,
University Station,
Tucson, Arizona

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

June 12, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract Idm-E289, Docket DMA 967X, Black Hawk Consolidated Mines Company

Enclosed are the original and two copies of an amendment to Contract Idm-E289, Docket DMA 967X, Black Hawk Consolidated Mines Company.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DENVER
JUN 16 1952

515 6-19-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

May 13, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration - Attention: Code 210

From: Field Team, Region IV

Subject: Final Report and Supplemental Report, Black Hawk Mine, Grant County, New Mexico, DMA-967X (Uranium)

Enclosed are three copies of the final report and 3 copies of a supplementary memorandum report with revised maps covering the application of the Black Hawk Mine, DMA-967X. The mine workings are inaccessible, and the original recommendations were based on old reports and maps submitted by the applicant. A comparison between these maps and maps in the possession of the Geological Survey and Bureau of Mines showed certain discrepancies in the dip and direction of the lower portion of the vein. The maps in the possession of the Government are believed to be correct, and a revised drilling program was proposed on the basis of these maps.

A contract based on the revised proposal has been prepared and is now in force.

J. H. East, Jr.

A. H. Koschmann

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
1 8 1952

EXAM

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

November 26, 1951

Memorandum

To: DMA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 967X, Black Hawk Mine (Uranium-Cobalt), Grant County, New Mexico

Enclosed are the original and 10 copies of the geologic report by Elliot Gillerman of the U. S. Geological Survey covering the above DMA Docket. It has been recommended that the loan be approved.

The U. S. Bureau of Mines will not submit a separate report.

The brochure is enclosed.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (12)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 19 1952

Reviewed by
DMEA OPERATING COMMITTEE
5-23-52
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O.Box 4126, University Station
Tucson, Arizona

November 20, 1951

Memorandum

To: Field Team, Region IV, Denver, Colorado
Through: Mr. A. H. Koschmann

From: Mr. A. F. Shride, Tucson, Arizona

Subject: Black Hawk Mine (Uranium-Cobalt), Grant County, New Mexico

Enclosed are the original and 10 copies of the above report by Elliot Gillerman of the Geological Survey. One copy is for L. R. Page as per Procedural Instruction #5, and 2 copies are for the Atomic Energy Commission as per the Field Team's memorandum of October 5.

This report and the recommendations that a $20,000 exploration loan be granted for diamond drilling have my approval. It is believed preferable to prepare a contract with the cost estimates itemized, if possible, as in this report in order to allow flexibility in the project. The applicant and the drill contractor can be depended on to conduct the project in a workman-like manner.

The Bureau of Mines will not submit a separate report.

The brochure is enclosed.

A. F. Shride
Acting District Supervisor
Arizona-New Mexico

Enclosures 12

# BLACK HAWK MINE
# GRANT COUNTY, NEW MEXICO
# DMA 967X

## URANIUM, COBALT

## Geology

By
Elliot Gillerman
Geologist, U. S. Geological Survey

BLACK HAWK MINE
GRANT COUNTY, NEW MEXICO
DMA 967X

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CONTENTS


| | Page |
|---|---|
| Introduction | 1 |
| Location, Accessibility, Topography and Climate | 1 |
| Equipment and Supplies | 2 |
| History and Production | 3 |
| Ownership and Extent | 4 |
| Geology | 4 |
| Project Proposal | 8 |
| Project Cost | 11 |
| Justification for Exploration | 12 |
| Recommendations | 13 |


ILLUSTRATIONS


| | Following Page |
|---|---|
| Figure 1 - Location Map Bullard Peak District, Grant County, New Mexico | 1 |
| Figure 2 - Geological Sketch of Black Hawk Mine, New Mexico | 4 |
| Figure 3 - Composite Map of No. 1 Shaft, Black Hawk Mine, Bullard Peak District, Grant County, New Mexico | 6 |


APPENDIX


Appendix 1 - Letter from E. R. Matheny.

## INTRODUCTION

The Black Hawk Mine was examined by the writer in connection with the application for exploration assistance by the Black Hawk Consolidated Mines Company for uranium and cobalt. This application is docketed as DMA 967X.

A reconnaissance of the surface geology was made, but the present condition of the mine eliminates the possibility of obtaining firsthand information underground. Thus no reserves can be estimated. Because of the inaccessibility of the mine, much of the information on mineralogy, ore habits, and other data has been drawn from older reports.

Although not of direct concern to the Defense Mineral Administration, it may be pertinent to note that the Reconnaissance Unit of the Geological Survey is at present starting a detailed geologic study of the district within which the Black Hawk mine lies. This study was inaugurated because of favorable conditions for the possibility of a commercial deposit of uranium at the Black Hawk, Alhambre, and other mines in the area.

## LOCATION, ACCESSIBILITY, TOPOGRAPHY, CLIMATE

The Black Hawk mine is in the center of Sec. 21, T. 18 S., R. 16 W., in the Bullard Peak (Black Hawk) mining district, Grant County, New Mexico (see Fig. 1). It is 20 miles by road west of Silver City, and 2 miles northeast of Bullard Peak (Bullard Cone), a prominent landmark. The mine is accessible by road from Silver City, although the last 7 miles may be difficult at times. A branch line of the A.T. and S.F.R.R. ends at Silver City.

The mine is reached from Silver City by travelling westward on paved U. S. Highway 260 for about 14 miles or.5 miles beyond the

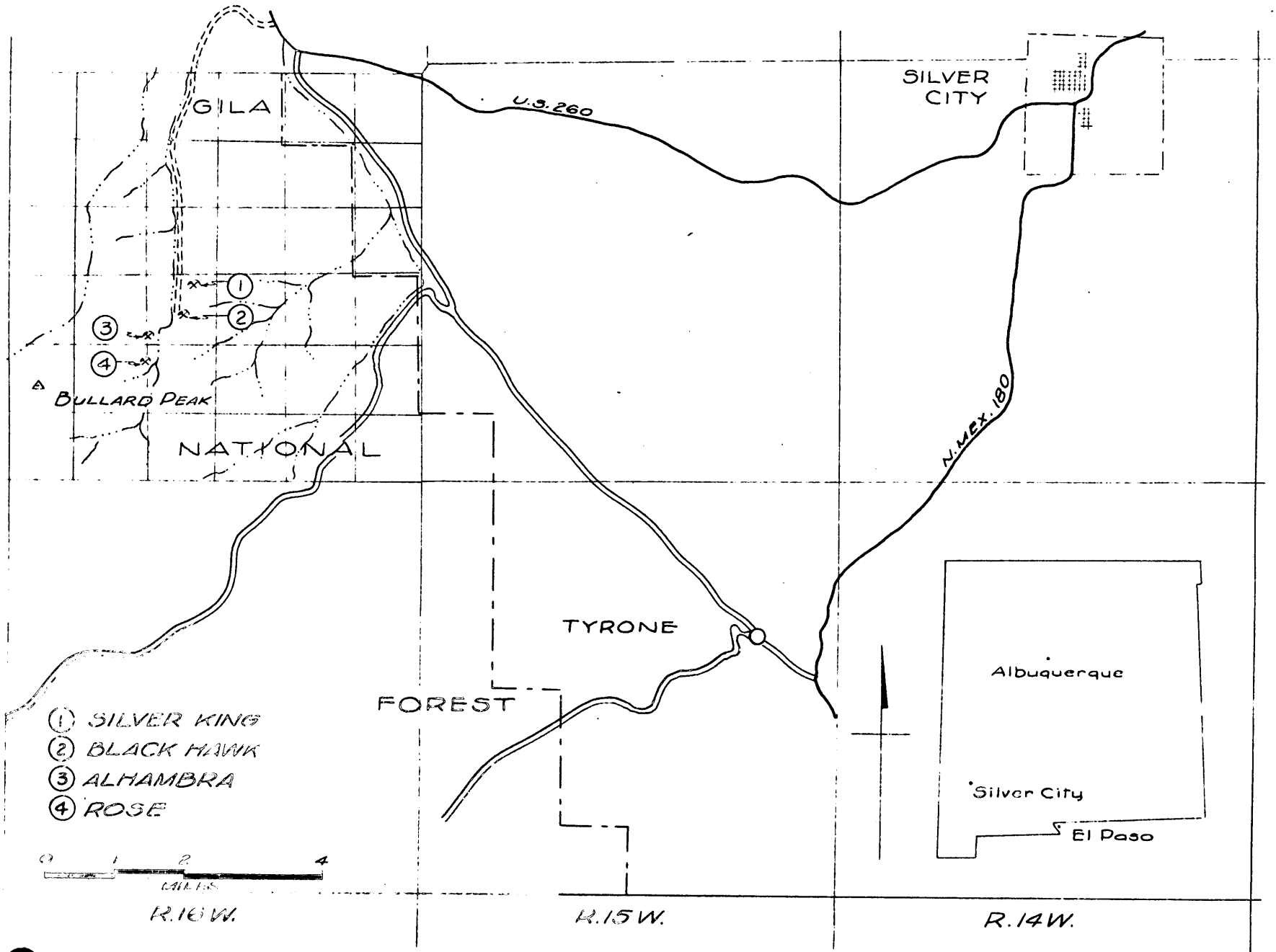


FIG. 1-LOCATION MAP, BULLARD PEAK DISTRICT, GRANT CO., N. MEX.

DMA 961A

junction with the Mangas Valley road; thence southward along an unimproved road across the Mangas Valley and up Black Hawk Canyon for 7 miles to the mine. The road up the canyon may be impassable for short periods after heavy rains or snows. In dry weather the deep sand in the canyon bottom makes travel difficult at times.

The mine lies in the northeastern foothills of the Burro Mountains at an altitude of 5,600 feet above sea level. Scattered junipers, small pines, scrub oak, and other brush cover the slopes around the mine. The country is hilly, and the mine is on the hillside about 50 feet above the bed of Black Hawk Canyon, which has cut its way 200-300 feet below the summit of the dissected upland. Black Hawk and Saddle Rock Canyons, which drain the area, are intermittent. They flow north toward the Mangas River, which in turn enters the Gila River 9 miles downstream from the mouth of Black Hawk Canyon. The Gila River is the only permanent stream in the area. Annual precipitation is about 16 inches at Silver City, with heavy rains in July, August, and September.

## EQUIPMENT AND SUPPLIES

No buildings or equipment are situated at the mine. The nearest available water is at a well 5 miles down Black Hawk Canyon, although water for mining could probably be obtained by digging a shallow well in the canyon near the mine. Water is found in the canyon bottom a short distance above the mine. No suitable mine timber is available on the claims. Supplies for mining can be obtained at Silver City.

## HISTORY AND PRODUCTION

High-grade silver float was found on the surface at the Alhambre mine (½ mile southwest of the Black Hawk mine) in 1881, and subsequent prospecting soon led to the discovery and opening up of the Black Hawk deposit. The district boomed until 1893, when work ceased due to the decline in price of silver, probably coupled with the depletion of much of the bonanza ore and increased mining cost. Nearly all the production has been high-grade silver ore, and shipments as high as 15,000 ounces of silver per ton are reported.

There was no further activity in the district until 1917, when the Black Hawk mine and a group of contiguous claims were sold to the present owners, the Black Hawk Consolidated Mines Company. The workings were unwatered and sufficient rehabilitation work done to gain access to the lower workings, where undeveloped ore was reported (Lidstone[1/], Leach[2/], Weed[3/]). W. H. Weed, consulting geologist, and A. A. Leach, then resident geologist for Phelps Dodge of Tyrone, examined the mine at the time, and both recommended further work. Late in 1917, one car of ore, produced from development work, was shipped, but after that all work ceased. No work has been done in the district since, and all workings are inaccessible.

Production from the Black Hawk mine is reported to have been from $600,000 to $650,000, and the district as a whole to have produced between $1,000,000 and $1,500,000, from 1881 to 1893. The Alhambre is reported to have produced $400,000 and the Rose mine $140,000.

---

1/ Lidstone, E. O., The Black Hawk Mine, supplemental report (private report), 1917.
2/ Leach, A. A., Geology of the Black Hawk Mine (private report), 1917.
3/ Weed, W. H., Report on the Properties of the Black Hawk Mining and Milling Co., Silver City, N. Mex. (private report), Nov. 1918.

## OWNERSHIP AND EXTENT

The Black Hawk mine is owned by the Black Hawk Consolidated Mines Company of Milwaukee, Wisconsin. Ira L. Wright of Silver City is General Manager. The property consists of 8 patented claims and fractions: the Black Hawk (M.S. 364), the Silver Glance (M.S. 366A), the Surprise (M.S. 367A), the Little Rhody (M.S. 365A), the Chicago (M.S. 771), the Kent County (M.S. 778), the Cornucopia (M.S. 770), and the Extension (M.S. 772). The Black Hawk mine is on the Black Hawk, Surprise, and Silver Glance claims (see claim map accompanying application for loan).

## GEOLOGY

The Black Hawk mine is within the large mass of pre-Cambrian crystalline rocks that crop out over about 400 square miles in western Grant County, New Mexico, and stretchs from south of the Burro Mountains to north of the Gila River. The southern extremities of the mass are overlain by Tertiary and Recent gravels, and the northern part is covered by Tertiary volcanic rocks. In the vicinity of the Black Hawk mine the dominant rock is a coarse grained, dark-colored gneiss, which is intruded by pink granite, quartz diorite, monzonite porphyry, and rhyolite. Numerous fissures, trending in numerous directions,cut the igneous complex within an area of 4-5 square miles, principally where they traverse the gneiss and monzonite porphyry. The veins fill the fissures and the fissures can be traced for considerable distances, although the veins are narrow and show inconspicuous outcrops (see Fig. 2).

The gneiss, which is the main host rock for the ore, is a dark coarsely-porphyritic rock with big pink feldspar crystals and a groundmass

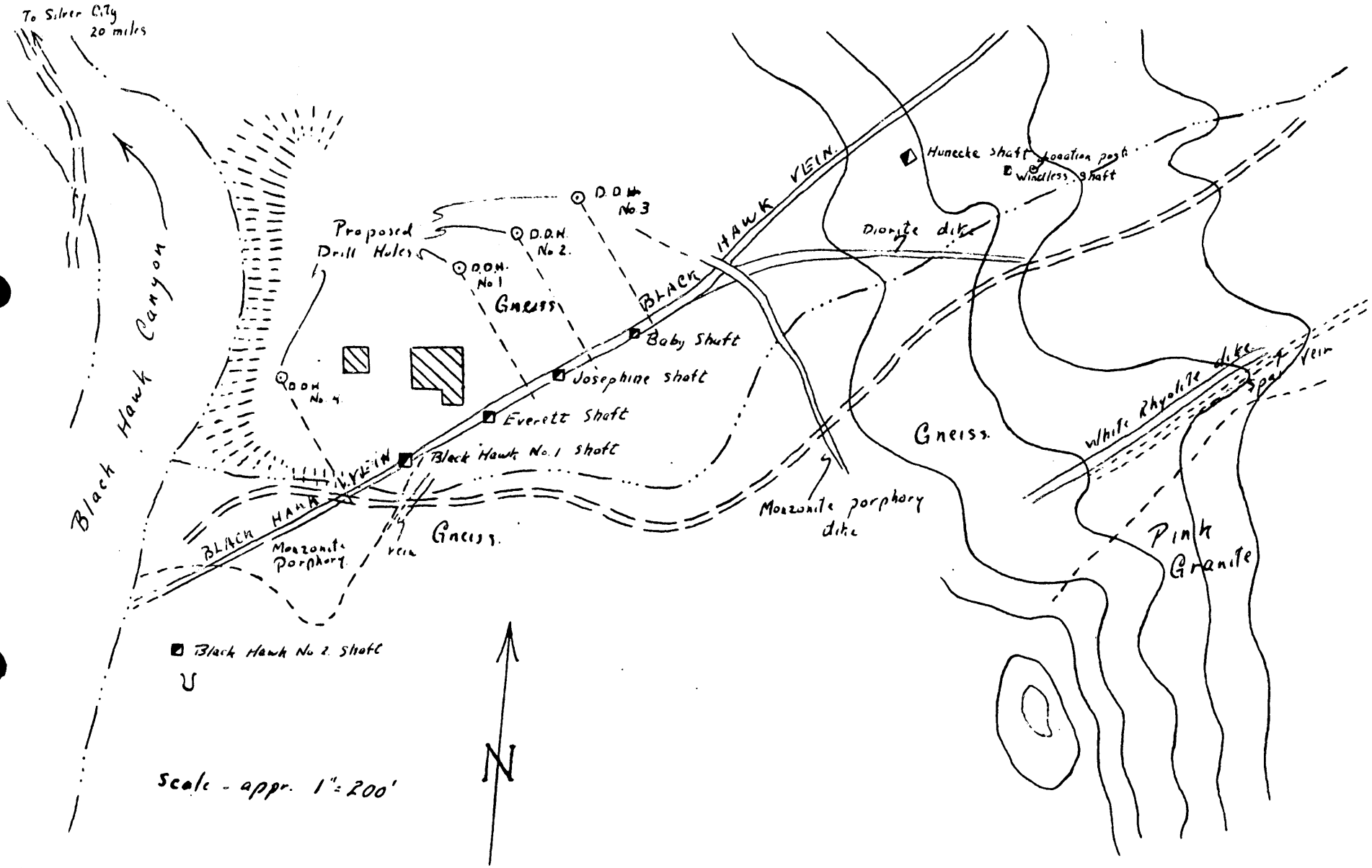


FIG. 2 -- GEOLOGIC SKETCH OF BLACK HAWK MINE, NEW MEXICO
DMA - 967X

of dark biotite. The rock contains fragments of pre-Cambrian schist, and is cut by a network of pale pink aplites which grade into quartz-feldspar pegmatites. The rock is probably the metamorphic equivalent of the coarse-grained granites found to the south in the Burro Mountains.

The medium grained pink granite intrudes the gneiss and is probably also of pre-Cambrian age. It crops out extensively in the higher ground south of the Black Hawk mine.

A large body of monzonite porphyry intrudes the gneiss, and possibly also the pink granite. This rock forms the two prominent hills known as Twin Peaks just west of the Black Hawk mine, and also crops out north of the mine. Small spurs and dikes of this intrusive occur near the mine, and a small mass of the monzonite porphyry is present on the southeast side of the Black Hawk vein at the Black Hawk Number 1 shaft. The monzonite porphyry may be related to similar rocks in the Silver City, Santa Rita-Hanover, and Tyrone districts to the south and east, and if so, is late Cretaceous or early Tertiary in age.

Dikes of quartz diorite cut the gneiss, and dense white rhyolite dikes cut the gneiss and granite.

Within the mine both gneiss and monzonite porphyry occur, and the vein cuts both rocks. Weed reports that as far as is known the ore occurs only where the veins cut the gneiss.

The Black Hawk vein is but one of numerous well-defined fissure veins of the district. It strikes N. 55$^{0}$ E. and dips about 60$^{0}$ SE, but Weed states that it is not a simple filled fissure but rather an imbricating network of many veins which vary in strike N. 45-60$^{0}$ E. and which are analogous to a split in a board. The mineralized zone,

or vein, can be traced on the surface for 400 feet east of the Black Hawk Number 1 shaft. About 400 feet further east a shaft has been sunk on what appears to be the continuation of the vein. West of the Black Hawk Number 1 shaft the vein can be followed for about 200 feet but slightly beyond this it dips under the bed of Black Hawk Canyon and is covered by the sand and gravel in the bottom of the wash. The trend of the vein would take it about one quarter mile up this large sand-filled wash. Underground the vein has been followed about 400 feet east and 250 feet west of the shaft and to a vertical depth of 600 feet.

The vein has been opened up by four shafts, and 10 levels have been driven with considerable stoping, particularly in the upper parts (see Fig. 3). The mine, however, is at present inaccessible and consequently the older reports by Weed, Lidstone, and Leach must be relied upon for much of the information regarding mineralogy, ore deposits, mineral associations, tenor of ore, and other data not now obtainable.

According to Weed and Leach, the ore occurred as native silver or argentite associated with nickel and cobalt minerals. The native silver was more abundant in the oxidized zone, but extended downward where it was associated with nicollite and other sulphides. The nickel occurred as nicollite and millerite, and the cobalt as cobaltite and smaltite. Other nickel and cobalt sulphides, arsenides, and sulpharsenides were present. Additional metallic minerals included tetrahedrite, galena, chalcopyrite, sphalerite, and pyrite. The gangue was principally a carbonate ranging from calcite through dolomite and siderite to

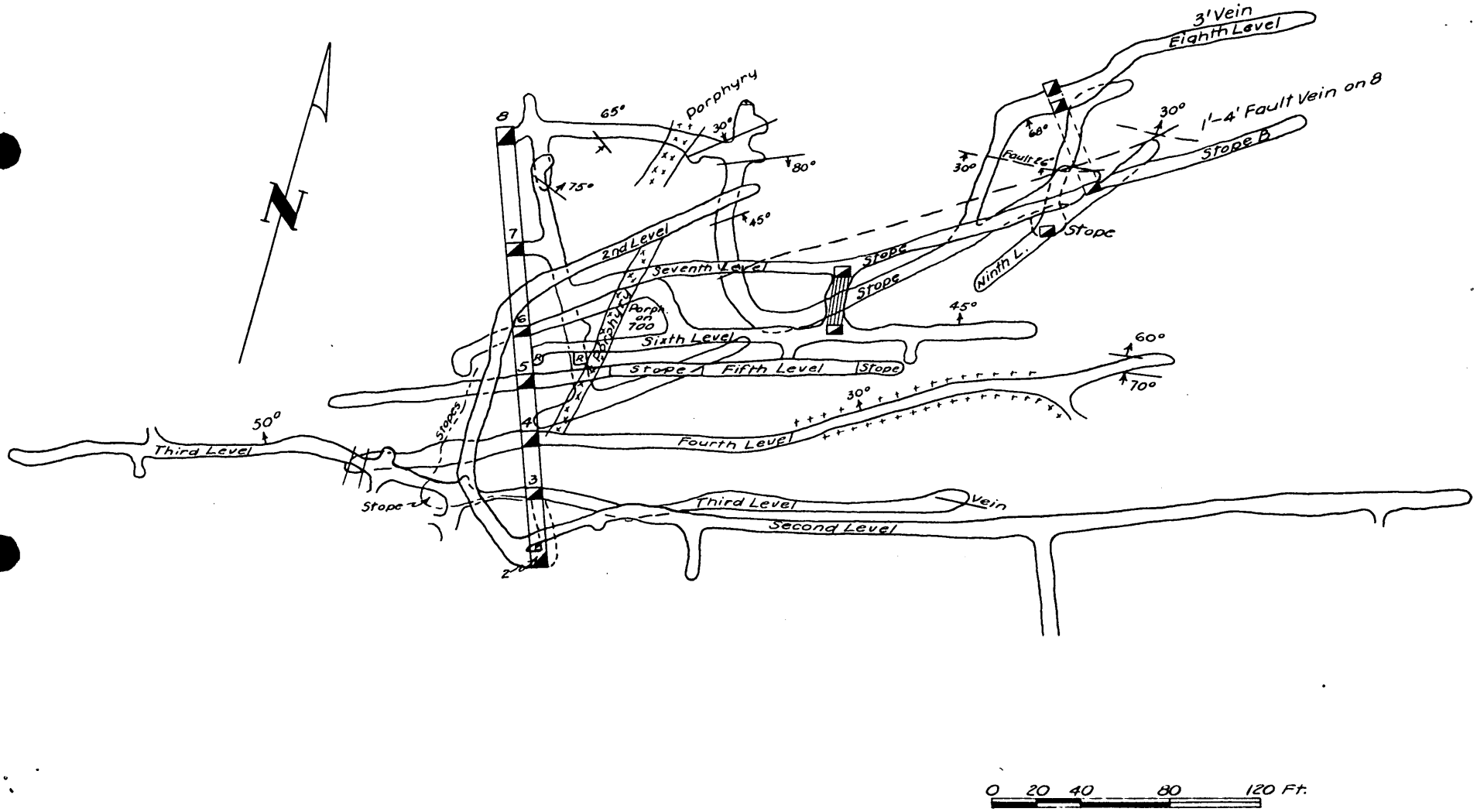


FIG. 3-COMPOSITE MAP OF NO. 1 SHAFT, BLACK HAWK MINE, BULLARD PEAK DIST., GRANT CO., N. MEXICO

DMA-967X

rhodochrosite, with quartz and some barite. In places the gangue was altered to a fine-grained cherty-looking material by silicification.

Native silver was identified by the writer in 2 specimens reported to have come from the Black Hawk mine. Both these specimens were also radioactive, though no uranium minerals could be identified. However, 2 small fragments of ore picked up by the author on the Black Hawk dump during a recent inspection of the property also showed native silver, and in addition a very radioactive black mineral identified as pitchblende. This is the first authentic record of pitchblende in the area although it had been reported earlier by Leach.[4] The vein outcrop of the shaft was also radioactive as were specimens picked up on the dumps of two other shafts on the property, one along the Black Hawk vein, and one along the intersecting copper vein. No minerals could be identified at these localities. Radioactive material was also picked up at shafts on the Alhambra and Good Hope claims in the district and secondary uranium minerals recognized.

The similarity of the mineralogy of the Black Hawk mine with that at Joachimstahl, Czechoslovakia, and Great Bear Lake, Canada is to be especially noted. The mineral assemblage is almost identical, and is a strong point in the argument that there may be a commercial deposit of uranium at this locality.

The ore produced was mined for its silver content and although the presence of cobalt and nickel were known there is no record of their being recovered. Uranium was first reported in 1920, but was not positively identified until recently.

A 100 pound sample of ore taken by E. O. Lidstone in 1917 from the bottom of the winze 150 feet below the 8th level (the deepest

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4/ Leach, A. A., Radium discovered in the White Signal dist., New Mexico, E. and M. J. vol. 109, p. 989, 1920.

part of the mine) was analyzed by Smith, Emery and Co. of San Franciso. This showed 2,542.00 ounces of silver per ton, 8.92% Ni, and 0.90% Co. The sample was not analyzed for uranium. This may have been a picked sample, but other reports describe high-grade silver ore in the lower workings of the mine, associated with lower grade ore on the order of 20-30 ounces of silver per ton. Weed states that although he did not see the nickel or cobalt ore in place, he was told that they occur in the deepest workings of the mine.

The ore occurs as filled fissure veins with only minor replacement of the wall rock. Included fragments of country rock are common, but crusts of ore around these fragments are rare. The vein is narrow, an inch to a foot wide, with a central core of carbonate and quartz and a few inches of altered wall rock, but it opens suddenly to widths of three to ten feet in which the ore is concentrated. In these shoots the ore is largely altered gneiss netted with tiny veinlets of ore minerals. The high grade ore occurs in streaks and bunches, principally along footwall bands. Much of the low-grade material in the ore shoot is of milling grade.

No attempt can be made to calculate any ore reserves at the Black Hawk mine. Weed in his report estimated 2,400 tons with an assumed value (for the silver only) of $20 per ton net in the ore shoot on the 10th level. This is merely for one single ore shoot. He states, however, that the mine has no actual reserves that could be measured, as the exposures accessible are insufficient and the data too scanty to use as a basis for any positive conclusion.

## PROJECT PROPOSAL

The Black Hawk Consolidated Mines Company proposes a drilling program to consist of 4 holes, each 800 feet deep, or a total of 3200

feet of drilling resulting in AX cores. They have estimated costs at $6.00 per foot, which would total $19,200 for the 3200 feet. Since the total cost of the exploration program is set at $20,000 this allows $800 leeway. The sketch submitted with the proposal indicates that the first hole is to be drilled from a point 200 feet northwest of the outcrop of the vein, and is to intersect the vein at a point 600 feet vertically below the collar of the shaft and approximately 200 feet northeast of the shaft. Drill holes numbers 2 and 3 are tentatively located at 100 foot intervals northeast of drill hole No. 1, and drill hole No. 4, 300 feet southwest of drill hole No. 1. The alignment of the drill holes parallels the strike of the vein, and they are inclined to the southeast. The statement is made that the locations of all but the first drill hole are tentative, and subject to change pending results from drill hole No. 1.

The writer, after examining the property, concurs with the proposal of the Black Hawk Consolidated Mines Company in its outline of the drilling program, but would like to emphasize that with the exception of hole No. 1, the location, number, and length of the holes should be regarded as extremely tentative.

The location of hole No. 1, so placed that it will intersect the high-grade ore described in early reports, is satisfactory. This hole will be approximately 800 feet deep. The location, number, and depth of the subsequent holes should depend upon the results obtained from this first hole. It may be advisable to shift the location of holes Nos. 3 and 4, to drill two short holes which would intersect the vein at shallower depths, or to drill one long hole to intersect the vein at greater depths. This can only be determined as drilling progresses, and the proposal should be flexible enough to allow for it.

The manager of the Black Hawk Consolidated Mines Company, Ira L. Wright, will supervise the exploration program. Mr. Wright is a well-known mining engineer in the southwest, and has many years of successful experience behind him. He is thoroughly capable and reliable and I believe that the choice of drill sites, number of holes, and depth of holes, after the first hole is drilled, should be left to his judgment.

Although drilling is recommended as a means of testing the Black Hawk deposit, another method of accomplishing the same result would be rehabilitating the old mine. In the writer's opinion this would be a much more satisfactory method of ascertaining the existence of commercial quantities of nickel, cobalt, and uranium. The description of the mine, as gleaned from old reports, indicates that the ore shoots are spotty, thus drill holes might miss ore, and reveal nothing but barren vein material. This should be remembered, should the drilling results be negative. Rehabilitation of the mine, however, would probably entail sinking a new shaft, since the present one is caved and filled. This new shaft would need to be a vertical shaft 600 feet deep. In addition, considerable timbering would be necessary in the drifts and stopes, since undoubtedly much of these old workings are caved. The cost of a new shaft and the rehabilitation of the mine would be in excess of $200,000. In light of the fact that this is a "long shot" project, and that the exploration is justified primarily on geologic premises, $200,000 seems to be an excessive amount to risk. Thus perhaps it is wiser to concentrate on a relatively inexpensive drilling program which may give positive results, and perhaps pave the way for a more extensive program of future exploration and development.

## PROJECT COST

Drilling costs are estimated at $6.00 per foot of drilling, broken up as follows: actual drilling to be contracted out, $5.00 per foot; supervision and miscellaneous expenses to be paid by the Black Hawk Consolidated Mines Company, $1.00 per foot. At $6.00 per foot of drilling, and a tentative schedule of 3200 feet of hole to be drilled, the total cost of the project is estimated at $19,200.00. This leaves a margin of $800.00. Ten percent of the total cost of $20,000 will be furnished by the applicant.

The drilling is to be contracted to E. R. Matheny, drilling contractor, of Silver City, New Mexico, who has agreed to do the drilling for $5.00 per foot to a depth of 700 feet, as per letter attached. This is to include all expenses connected with the drilling, including water haulage, except the repair of 300 feet of road which will give access to the drill sites. The Black Hawk Consolidated Mines Company will repair this section of road and will supervise the drilling. Supervision will include locating the holes and sampling the core (which will be split if desirable). One man will be detailed to do this work. Analyses will be made by a commercial assayer. The $1.00 per foot which the Black Hawk Consolidated Mines Company will pay will include cost of supervision, analyses, road repair, and also any excess charges in drilling made by Matheny by reason of drilling in excess of 700 feet per hole.

Drilling will proceed at the rate of one shift per day. One drill rig will be used at the start, but a second may be brought in after the first hole is drilled. Footage is estimated at about 20 feet per day. The first hole should be completed within 2 months, and the entire project within 4-6 months depending upon whether one or two drill rigs are used.

## JUSTIFICATION FOR EXPLORATION

The presence of nickel, cobalt, and uranium minerals with the silver in the Black Hawk mine is well established, but whether they exist in commercial quantities is still unknown. Weed states that there is good nicollite ore in the bottom of the winze, and this appears to be substantiated by the sample which Lidstone had analyzed. Weed also says that the length of the ore shoots and the thickness of the ore is as great, if not greater, in the lower levels of the mine as in the upper workings. Information from other reports also indicate high-grade silver ore in the lower levels. The high nickel and cobalt values seem to go with the high silver values, so that if there is good silver ore left in the mine the nickel and cobalt should be present in commercial quantities also. Since no mention is made of uranium in the earlier reports, nothing is known of the concentration of the uranium minerals.

These facts in themselves perhaps are not enough to justify the drilling program. Coupled with them, however, is the knowledge that geologically the deposit is unique in many ways, in the United States, and is very similar to two of the three largest known uranium deposits in the world.

At Great Bear Lake, Canada, and at Joachimstahl, Czechoslovakia, which are two of the three leading uranium producing areas in the world, the uranium occurs as pitchblende associated with native silver, and nickel and cobalt sulphides and arsenides. This same mineralogical association is found at the Black Hawk mine, and the Black Hawk district is perhaps the only locality in the United States where this unique assemblage of minerals is found. At Great Bear Lake and at Joachimstahl

the native silver is richest near the surface, and sulphides and pitchblende increase in amount with depth, as the silver decreases. At the Black Hawk, the native silver is also richest near the surface, and with depth the sulphides, and the nickel and cobalt minerals increase in amounts. Perhaps the pitchblende does also, as at Joachimstahl and Great Bear Lake. The geologic setting of the ore deposits in the three districts is also very similar, the ore of the Black Hawk occurring in fissure veins in pre-Cambrian rocks, as is also the case at both Great Bear Lake and Joachimstahl.

The chances for another Eldorado or Joachimstahl are remote, but the geologic and mineralogic similarities of the Black Hawk mine with the deposits of the se localities indicate that a commercial deposit of nickel, cobalt, or uranium in the Black Hawk district is a distinct possibility. Geologically, an exploration program is entirely justifiable. In fact, it is primarily because of the mineralogical and geologic similarity of the Black Hawk district to the Great Bear Lake and Joachimstahl uranium deposits, that the Reconnaissance Unit of the Geological Survey is undertaking a detailed study of the area. This program is already under way and will include mapping the entire Black Hawk district which includes the Alhambra and Rose Mines, as well as the Black Hawk. The program would be aided by any drilling that might be done in the area.

## RECOMMENDATIONS

The Black Hawk Mines Consolidated Company state in their application that they are making no commitments at this time as to future work at the mine, even should drilling results be considered satisfactory. Their position can be understood when it is realized

that it will cost around $200,000 to sink a shaft and rehabilitate the mine so that mining could be started, and an expenditure of this amount based on results obtained from a few drill holes is still a risk. They do not state that they will not mine the ore, merely that they wish to reserve judgment on the question of future expenditures until later.

Notwithstanding these statements, and the possibility that the exploration loan will not be repaid to the Government, it is the opinion of the writer that the loan should be granted. The mere fact of proving the existence of minable quantities of cobalt, nickel, and uranium, will be of immeasurable value to the Government, particularly should there be appreciable quantities of the latter metal. And as stated above, this is a very good possibility. The Government today is itself spending considerable sums trying to locate new sources of supply of this important metal, and the Atomic Energy Commission is conducting numerous exploration projects of its own. It is highly probable that should the drilling of the Black Hawk be considered favorable, the AEC would be interested in continuing the exploration program. If the mine were opened up by the AEC, undoubtedly the owners would start mining, and their cooperation with AEC, aside from the question of further expenditures, could be counted on. The possibilities are good that they may be willing to cooperate financially if satisfactory arrangements can be made.

Mention was made above that the Reconnaissance Unit of the Geological Survey is at present starting detailed geologic work in the Black Hawk district. If this work supports the opinions gathered from preliminary studies it is highly probable that recommendation will be made that the AEC do some drilling and possibly eventual

shaft sinking and mine rehabilitation in the area. If this present loan is granted, and the drilling done now, the results of the drilling, if successful, would put the recommendations to the AEC on a firmer footing, and they would be that much further ahead in an exploration program.

The limits of property subject to the Government lien should be mentioned here. Mr. Wright, manager of the Black Hawk Consolidated Mines Company has agreed that should mining be inaugurated, as a result of the drilling on any of the eight patented claims mentioned in the application, all minerals mined will be subject to the lien to pay off the loan. The company expects to receive the greatest financial returns from the silver mined, and proceeds derived from this metal, and all other metals mined, as well as the cobalt, nickel, and uranium, are to be utilized in payment of the Government loan.

BLACK HAWK MINE
GRANT COUNTY, NEW MEXICO
DMA 967X

URANIUM, COBALT

APPENDIX

C
O
P
Y

E. R. MATHENY, DIAMOND DRILL CONTRACTOR
Diamond Core Drilling
512 West 7th Street

Silver City, New Mexico

September 25, 1951

Mr. Ira L. Wright
108 West Yankee
Silver City, New Mexico

Dear Mr. Wright:

After going over the property known as Bullard Peak mine, I have arrived at the following cost report on 3,000 feet of drilling AX size cores. It being understood that the company would work over about 300 feet of old road.

I would furnish everything complete including water haul and use 2 diamond drills if required. The company is to furnish core boxes and sludge boxes for the samples.

Figuring the depth of the holes from 0 feet to 700 feet at the following price per foot:

0 feet to 700 feet----------$5.00 per foot

Yours truly,

E. R. Matheny /s/

E. R. Matheny /t/

ERM:ip

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

200 New Customhouse
Denver 2, Colorado

March 4, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 967X (Uranium), Black Hawk Consolidated Mines Co., (Ira Wright), Grant County, New Mexico

Enclosed are 10 copies of the supplementary memorandum and revised maps covering the above docket. The revised program has been reviewed by Gillerman of the U. S. Geological Survey and Romslo of the U. S. Bureau of Mines. It has been recommended that the revised program be approved.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O.Box 4126, University Station
Tucson, Arizona

February 25, 1952

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: DMM 967X (Uranium), Black Hawk Consolidated Mines Co. (Ira Wright), Grant County, New Mexico

It has been discovered that more reliable information exists on which to base the exploration program for the above docketed application. You will remember that the original recommendation was based mainly on old reports. The enclosed memorandum sets forth a revised exploration program that has been worked out with the applicant on the basis of this new information.

The revised program has been reviewed by Gillerman of the Survey and Nemnle of the Bureau. The cost estimates submitted by Nemnle are based on this program.

This revised program has my approval.

Ten copies of Gillerman's memorandum are enclosed; the two extra copies are for your distribution to L. F. Page and the AEC if such is deemed necessary.

A. F. Shride
Acting District Supervisor
Arizona-New Mexico

Enclosures 10

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O.Box 4126, University Station
Tucson, Arizona

February 25, 1952

Memorandum

To: A. F. Shride

From: Elliot Gillerman

Subject: Revised Drilling Program for the Black Hawk Mine, Grant County, New Mexico, BMA 967X (Uranium)

In rechecking the drilling proposal submitted previously, Mr. Wright, General Manager of the Black Hawk Consolidated Mines Company, discovered that old maps of the underground workings of the Black Hawk mine in his possession showed certain discrepancies with similar maps in possession of the U. S. Geological Survey and the U. S. Bureau of Mines. A comparison of the two sets revealed a discrepancy in the direction and amount of dip of the lower portion of the vein. The two sets were compared with old reports, and all indications point to Mr. Wright's set of maps as being in error. To further verify this, Mr. Wright consulted with Mr. A. A. Leach who had mapped the Black Hawk mine and written a geologic report in 1917, when the mine was last accessible. Mr. Leach verified the fact that the set of maps in the possession of the U. S. Geological Survey and the U. S. Bureau of Mines was correct. Because the location of the drill holes was based on information obtained from the incorrect set of maps, the program was revised by Mr. Wright in accordance with the new information.

The new drilling program, as set up by Mr. Wright, has the writer's approval. The new locations of the drill holes are inked on copies of Figure 2, which accompanied the earlier report.

The Black Hawk Consolidated Mines Company proposes a drilling program to consist of 4 holes, each 800 feet deep, or a total of 3200 feet of drilling resulting in AX cores.

As will be noted from the sketch (Fig. 2), the location of 5 drill sites are shown. Holes Nos. 1 and 2 are to be drilled at or near the sites shown, subject only to slight changes in order to take advantage of local topography. Holes Nos. 3, 4, and 5

however, are only tentatively located and these sites are subject to change depending upon the results obtained in holes No. 1 and 2. Although tentative sites are shown, probably only two of these will be drilled. The choice of which two will be drilled will be made after holes Nos. 1 and 2 are completed. It is possible that entirely new sites will be chosen.

Hole No. 1 is to be drilled from a point about 200 feet southeast of the outcrop of the vein. It is to be inclined about 70° N. 20° W., which is normal to the direction of strike of the vein underground as shown on Figure 3 of the original report. This hole will intersect the vein about 650 feet below the collar of the shaft, and about 50 feet directly below the bottom of the winze extending downward from the eighth level (Fig. 5). This is immediately below the high- grade ore reported, by Messrs. Lidstone, Leach, and Weed, as occurring in the bottom of the winze.

Hole No. 2 will be drilled from a site 50 feet N. 70° E. of hole No. 1 and will parallel it. It will cut the vein 50 feet northeast of hole No. 1 and at the same depth. Holes Nos. 3 and 4 are tentatively located 75 feet S. 70° W. of hole No. 1, and 75 feet N. 70° E. of hole No. 2, respectively. They will parallel these holes and will intersect the vein at approximately the same depths, but southwest and northeast along the strike of the vein from holes Nos. 1 and 2.

The tentative location marked hole No. 5 is about 200 feet northwest of the outcrop of the vein at a point about 300 feet northeast along the vein outcrop from the Black Hawk shaft. This hole, if drilled, will be a vertical hole about 600 feet deep. As will be noted from an examination of Figure 4, a low-angle northwest-dipping fault cuts the vein at about the eighth level. Below the fault the vein, along which the winze has been sunk, dips in a reverse direction from the dip of the vein above the fault. The possibility exists that the vein below the fault is not the same vein as that above the fault, but an entirely different vein, and that the lower part of the vein lying above the fault has been displaced to the northwest along the fault. Thus it may exist below the fault, and northwest of the veins shown. This hypothesis is suggested by information obtained from Mr. Leach, who states that the character of the vein mined on the ninth and tenth levels is entirely different from that of the northwest dipping vein mined on the upper levels. He believes the lower vein to be a different vein. He also believes that the lower part of the vein mined in the upper levels has been displaced to the northwest below the fault. This displacement to the northwest is not believed to be great, and it is this unknown segment of the vein that hole No. 5, if drilled, will be probing for.

It should be re-emphasized that the location of all but holes Nos. 1 and 2 are extremely tentative, and that they are subject to change of location, depth, target, and number, pending the results obtained from holes No. 1 and 2.

Elliot Gillerman
Geologist

FILE COPY
700 SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY 2 1952

AIR MAIL

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-967X
(Cobalt and Uranium)
Contract No. Idm-E289
Black Hawk Consolidated Mines Co.

Dear Mr. East:

Referring to your memorandum of April 11, 1952, forwarding six copies of the contract in the above-captioned application for assignment of a contract number, we are returning the Operator's and Field Team copies of the signed contract herewith. Kindly transmit one copy to the Operator.

Sincerely yours,

C. O. Mittendorf (for)

Acting Administrator
Defense Minerals Exploration
Administration

J.N. 5-2-52

Enclosures 2

Ellis/Ault/jem
5/1/52
cc to; Adm. Reading File
Docket
Messrs. H.W.Davis, Rm. 3519
T.P.Thayer, Rm. 5216 GS
Ellis
Field Team, Reg. IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

REGISTERED MAIL

April 11, 1952

APR 14 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator

From: Executive Officer, Field Team, Region IV

Subject: Contract Docket 967X, Black Hawk Consolidated Mines Co.

Enclosed are six copies of a contract between the Government and Black Hawk Consolidated Mines Co. All six copies have been signed by an authorized official of the Black Hawk Consolidated Mines Co., the corporate seal affixed, and all six copies have been signed by the Regional Director, Region IV. Kindly assign a contract number and return the required number of contracts to this office.

J. H. East, Jr.

Enclosures

RECEIVED
APR 16 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Mr. Robert E. Adams, Attn: Code 230 March 26, 1952
Docket and Control
Iron and Ferro-Alloy Division, DMEA

Selfridge

Removal from active file of: Docket No. DMEA 967X - Cobalt-Uranium
Black Hawk Consolidated Mines Co.
Black Hawk Mines
Grant County, New Mexico

We are returning the subject docket to be placed in the inactive files because it is being processed and will be processed to completion by the Field Team of Region IV.

George C. Selfridge

3/26

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Attachment

GCSelfridge:ls

CC: Docket
Admn. Reading File
G. C. Selfridge

FILE COPY
SURNAME:

Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Mr. J. H. East, Jr.
Executive Officer, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 967X -
Cobalt-Uranium
Black Hawk Mines
Granite County, New Mexico

Dear Mr. East:

Enclosed is a copy of a letter dated March 10, 1952, from Mr. Ira L. Wright to Mr. C. O. Mittendorf, subject above.

In checking with DMPA we were advised that DMPA has no application from the Black Hawk Consolidated Mines Company. We have the above docket here and would appreciate learning the status of the field examination request dated August 13, 1951.

Sincerely yours,

C. O. Mittendorf (for) 3/21

Acting Administrator
Defense Minerals Exploration
Administration

Enclosure

GCSelfridge:ls 3/20/52

cc: Admn. Reading File
Docket
Field Team, Region 4
G. C. Selfridge
H. W. Davis, USBM
T. P. Thayer, USGS

BLACK HAWK CONSOLIDATED MINES CO.
P. O. BOX 231
SILVER CITY, NEW MEXICO

IRA L. WRIGHT
GENERAL MANAGER

March 10,1952.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1952

Mr. C. O. Mithendorf,
Acting Administrator,
Defense Minerals Exploration,Administration,
Washington 25, D. C.

Dear Mr. Mithendorf;

Our Milwaukee office had forwarded to me a copy of your letter of March 5,1952 in which you state that no reply has been received from a letter dated January 25,1952, from Mr. G. C. Selfridge requesting additional information necessary to process our application No. DMA 967X-Cobalt-Uranium. I did not reply to that letter for the reason that the Tucson office of DMPA was working on the application at that time and I was giving them the required information. I have now learned that all papers containing the necessary information have been forwarded to the Denver office of DMPA. I believe the Tucson office has recommended approval of the loan.

It is probable that the Denver office of DMPA has not had time to analyze the information and send its recommendation to you in Washington but I believe you should have it in a few days.

Yours sincerely,

Ira L. Wright

Ira L. Wright

Copy to Milwaukee Office

OFFICE OF THE ADMINISTRATOR

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS ADMINISTRATION
**WASHINGTON 25, D. C.**

224 New Customhouse
Denver 2, Colorado

March 20, 1952

Memorandum

To: C. O. Mittendorf

From: J. H. East, Jr., Executive Officer, Field Team, Region IV

Subject: DMEA Docket 967X - Black Hawk Mines, Grant County, New Mexico

& we wrote Ira direct 3/20

We have a copy of your letter of March 5, to Mr. Ira L. Wright, Black Hawk Mines, 735 North Walter Street, Milwaukee 2, Wisconsin, requesting additional information in connection with his application for assistance.

The examination of this property has been completed, and a report submitted. The exploration contract is in the process of preparation and should be sent to the operator in a few days.

W. H. King

W. H. King, for
J. H. East, Jr.
Executive Officer
Field Team, Region IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DENVER
MAR 24 1952

400

FILE COPY
SURNAME:

Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

MAR 5 1952

Mr. Ira L. Wright
Black Hawk Consolidated Mines Co.
735 North Walter Street
Milwaukee 2, Wisconsin

Re: Docket No. DMA 967X - Cobalt-Uranium
Black Hawk Mines
Grant County, New Mexico

Dear Mr. Wright:

A review of your application of March 5, 1951, for a $20,000 exploration contract reveals that a letter dated January 25, 1952, by Mr. G. C. Selfridge, Chief, Iron and Ferro-Alloy Division of Defense Minerals Exploration Administration requests additional information necessary to process your application. We have not received an answer from you and we assume that you no longer desire to proceed with the application.

We wish to cooperate with you in the matter of allowing ample time, but if the needed data have not been received by May 1, 1952, we will then remove your application from the active file and consider the matter closed.

Sincerely yours,

E.L. 3/5/52

C. O. Mittenderf (fw)

Acting Administrator
Defense Minerals Exploration
Administration

GGGentry'lm
3/4/52

cc: Admn. Reading File
Docket
H. W. Davis, USBM
T. P. Thayer, USGS
Field Team Reg. IV
G. C. Selfridge
G. G. Gentry

400

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Gentry
Wyatt

JAN 25 1952

Mr. Ira L. Wright
c/o Black Hawk Consolidated Mines Co.
735 North Walter Street
Milwaukee 2, Wisconsin

Re: Docket No. DMA 967X - Cobalt-Uranium
Black Hawk Mines
Grant County, New Mexico

Dear Mr. Wright:

Our files on the above noted application show that a request for information, relative to the details of your proposed diamond drilling program, was sent to you on July 23, 1951, and that no answer has yet been received.

If you wish to proceed with this application, please favor us with the requested information. If you do not desire to complete your application, a letter to this effect will enable us to withdraw your application, without prejudice.

Sincerely yours,

SIGNED

cc 1/25/52

G. C. Selfridge, Acting Chief
Iron and Ferro-Alloy Division

GGGentry'lm
1/24/52

cc: Admn. Reading File
Docket
H. W. Davis, USBM
T. P. Thayer, USGS
Field Team Reg. IV
G. C. Selfridge
G. G. Gentry

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1951

December 3, 1951

Memorandum

Attention: Code 210

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 967-X, Final Report, Black Hawk Consolidated Mines Co., applicant; Black Hawk Uranium Cobalt Mine, Bullard Peak Mining District, Grant County, New Mexico

The subject report has been approved by us and an exploration loan of $20,000 is being processed.

Your copies of the report and the brochure are being held here until the execution of the exploration project contract.

Attached are the original and one copy of Form 3b.

Paul T. Allsman

Paul T. Allsman, Alternate

A. H. Koschmann

A. H. Koschmann

Copy of this memo. to Rare + Minor. Metals Div. -
2/13/52 - BL

DMA Form 3b.

DEFENSE MINERALS ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA Docket No. 967-X

| Change: From | | To | |
|---|---|---|---|
| I 1 | ☐ | I 1 | ☐ |
| I 2 | ☐ | I 2 | ☐ |
| I 3 | ☒ | I 3 | ☒ |
| I 4 | ☐ | I 4 | ☐ |
| I 5 | ☐ | I 5 | ☐ |
| I 6 | ☐ | I 6 | ☐ |
| III 1 | ☐ | III 1 | ☒ 12/3/51 |
| III 2 | ☐ | III 2 | ☐ |
| III 3 | ☐ | III 3 | ☐ |
| III 4 | ☒ | III 4 | ☐ |

Add:

II 7 $ 20,000

II 8 $ 20,000

II 8a % 90

Initials of person preparing sheet W.D.M.

Date sheet prepared 12/3/51

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Gordon
Bourret
Merrill
Lyon

AUG 13 1951

a. E. C.

Mr. Ira L. Wright
Black Hawk Consolidated Mines Co.
735 North Water Street
Milwaukee 2, Wisconsin

Re: Cobalt
DMA docket 967x

Dear Mr. Wright:

Your application, Docket DMA-967x, for an exploration project in the amount of $20,000, has been received by the Minor and Rare Metals Branch of the Supply Division.

Before a decision can be reached on your request we find it is necessary to obtain additional information on your property. Your application therefore is being referred to the office of the Executive Officer of DMA field team Iv, Mr. J. H. East, Jr., 224 New Customhouse Building, Denver 2, Colorado, with the request that the needed information be supplied to us.

Yours very truly,

/s/ SIGNED BZ 8/13
Tom Lyon, Director
Supply Division

EGordon/mh 8-9-51
cc: Adm. Read. File
Reports and Records
Lyon
Field Team IV
Bourret
DMA docket file

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.

AUG 13 1951

Mr. J. H. East
224 New Customhouse Bldg.
Denver 2, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. 967x

Commodity Cobalt

Applicant Black Hawk Consolidated Mine

Please expedite the consideration of this application with particular reference to the points noted in the attached "Review."

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

For Bureau of Mines

For Geological Survey

6/5/51

Defense Minerals Administration Aug 8, 1951

Review of Application for Exploration Assistance

Docket No. DMA 967X

Commodity Nickel, Cobalt, Uranium

Total Amount $20,000—

Govt. Participation $18,000—

1. Name and Address of Applicant BLACK HAWK CONSOLIDATED MINES CO. 735 NORTH WATER ST. MILWAUKEE 2, WISCONSIN

2. Location of Property 17 MILES WEST OF SILVER CITY, NEW MEXICO, IN BULLARDS PEAK MINING DISTRICT, T17S. R17W GRANT COUNTY

3. Mineral or metal Ni, Co, U. Is it listed in Section 9 of MO-5? YES

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination —

e) Is there an alternative and favorable project? DON'T KNOW (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? No (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? No.

Does the lease have sufficient time to run to cover a future productive period? ?

*question numbers are those of MF-103

7. Are subordination agreements necessary? Don't Know

a) MF-201? _____

b) MF-202 ? _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* YES

_____

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? No

If not, are there sufficient data given so that you can describe the project? No If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? YES

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? YES, as would be expected

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? YES If so, attach a draft.

e) Are the cost estimates reasonable? YES

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? No

b) Sufficient data?_____ If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? YES

b) Is the schedule adequate for the work proposed? YES

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? YES

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed? No

15. In your judgment, can the proposed work be done in the proposed time? Not Enough Given

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Suggest Field Team Ascertain Best Tentative Locations For Drill Holes or Some Alternative Program. Advise Whether Ground is Leased, If So, Applicant Should Submit Leases & Options Plus Subordination Agreements.

Reviewed by: E R Gordon

T P Thayer

Date Aug. 8, 1951



INT.-DUP. SEC., WASH., D.C. 99009

FILE COPY
SURNAME:

Gordon
Bourret

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

July 23, 1951

Mr. Ira Wright
Black Hawk Consolidated Mines Co.
735 North Walter Street
Milwaukee 2, Wisconsin

Re: Cobalt - Black Hawk Mines
DMA docket 987x

Dear Mr. Wright:

Your application for an exploration project, DMA docket 987x, in the sum of $20,000 has been received by the Minor and Rare Metals Branch of the Supply Division.

We note that you do not outline the proposed diamond drilling program of approximately 4,000 feet of drilling, inferring that you think that Mr. Gillerman might do so. However, we suggest that you draw up the details of the drilling program and submit same to this office, together with maps showing approximate location, depth and inclination of the holes.

Upon receipt of the above-requested data, we may submit your project to the field team for their comments and, if they deem it advisable, their visit to the property.

Yours very truly,

Tom Lyon

Tom Lyon, Director
Supply Division

WBourret/mh
EGordon/mh
cc: Adm. Read. File
Reports and Records
Thayer, USGS
Field Team III
Bourret
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AIR MAIL

July 20, 1951

Mr. E. H. Ethier, Sec. Treasurer
Black Hawk Consolidated Mines
735 N. Water Street
Milwaukee 2, Wisconsin

Dear Mr. Ethier:

In reply to your letter of July 13, 1951, we are pleased to enclose herewith several copies of the forms requested, namely form DF-103, DC-5, and contract form DF-200.

We also enclose copy of press release of July 11.

Yours very truly,

Weston Bourret, Chief
Minor and Rare Metals Branch

Enclosure
WBourret/bc-
cc: Adm. Reading File
Reports & Records
Lyon
Bourret
Files

FILE COPY
SURNAME:

Bourret

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

AIR MAIL

June 14, 1951

Black Hawk Consolidated Mines
735 N. Water Street
Milwaukee, Wisconsin

Att: Mr. Ira L. Wright, Vice President & Manager

Dear Mr. Wright:

Your request for a government loan, Forms NRB-146 and MF-100 dated April 14, 1951, has been received by the Minor and Rare Metals Branch, Supply Division. It has been assigned docket number DMA-967, to which please refer henceforth.

Before your application can be processed further, it will be necessary to provide us with more information, as listed on form MF-103, five copies of which are enclosed. I would suggest that you fill out and return promptly four of these forms, retaining one for your files. It is particularly desirable that these questions be answered in the fullest detail possible on separate typewritten sheets.

For your future information, I enclose copy of MO-5 and contract form 200, which I suggest you study closely, as the detailed exhibits requested in the latter are necessary before final approval may be considered. Unless the various exhibits referred to (Exhibits A to M inclusive) are complete in all details, including maps, some delay may result. I therefore request that you prepare six copies of this material and forward same to my office. Please contact Mr. J. H. East, Jr. of the Denver Field Office DMA if you are in doubt regarding any of the points covered in the contract.

Where fully adequate information has been given on the forms you have already submitted, it will not be necessary to repeat, but reference to same should be made in your replies to the questions.

I also suggest that you consider the feasibility of a preliminary program of drilling as a first stage upon which the second stage, reopening the old shaft etc., may be predicated.

Yours very truly,

Weston Bourret
Acting Chief
Minor and Rare Metals

WBourret/bf
cc: Adm. Reading File
Strobel
Bourret
Field Team V
Thayer, U. S. G. S.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

May 15, 1951

Mr. Ira L. Wright, Vice President
Black Hawk Consolidated Mines Co.
735 North Water Street
Milwaukee 2, Wisconsin

Subject: DMA-967
Re: Loan - Black Hawk Mine (New Mexico)

My dear Mr. Wright:

Receipt is acknowledged of your application and attachments of May 5, 1951 from the BLACK HAWK CONSOLIDATED MINES COMPANY for a Government loan under the Defense Production Act of 1950.

The application was assigned Docket Number 967 and referred to Mr. Weston G. Bourret, Acting Chief, Minor and Rare Metals Branch, on May 14, 1951.

In any future correspondence relating to your application, kindly refer to DMA-967.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:aec
cc: Strobel-2
Files
Mr. Bourret
Mr. Lyon

3409 ~~LANDON F. STROBEL~~

# STEEP ROCK IRON MINES LIMITED

STEEP ROCK LAKE, ONTARIO

M. S. FOTHERINGHAM
PRESIDENT & GENERAL MANAGER
N. EDMONSTONE
SECRETARY-TREASURER

April 27, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of The Interior
WASHINGTON 25, D. C.

Dear Mr. Strobel: Subject: DMA-967

Thank you for your letter of April 11th, acknowledging our letter of April 4th and the report on the production potential of Steep Rock Iron Mines which was attached thereto. It was not our intention to have this information construed as a loan application. Actually it was filed with your department at the request of officials of the National Security Resources Board and of the Department of Interior, after we had met with these officials in Washington at their request.

We will be glad to supply whatever additional information with respect to the production potential of Steep Rock which you may require.

Sincerely yours,

M. S. Fotheringham

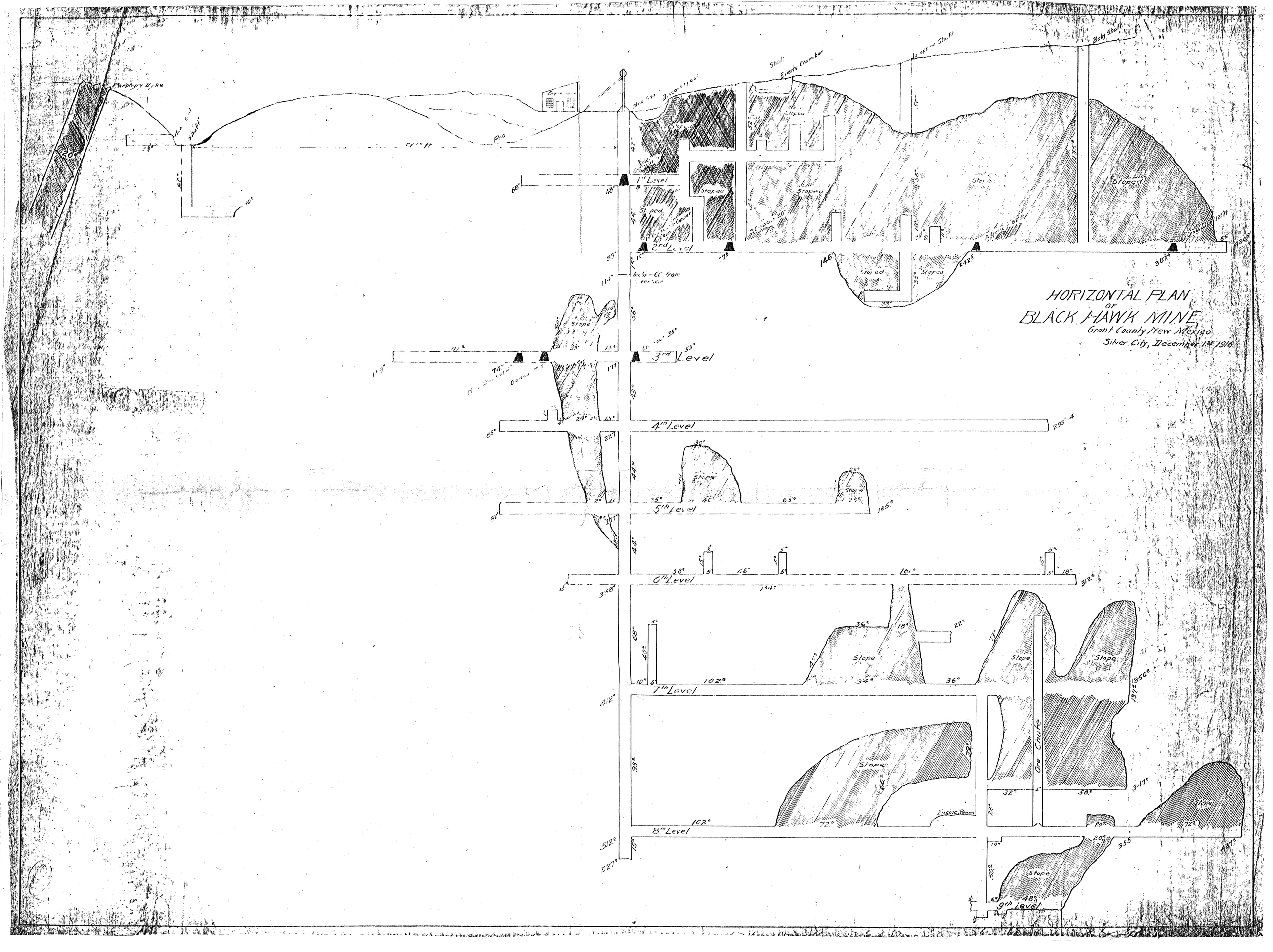
MSF:AA

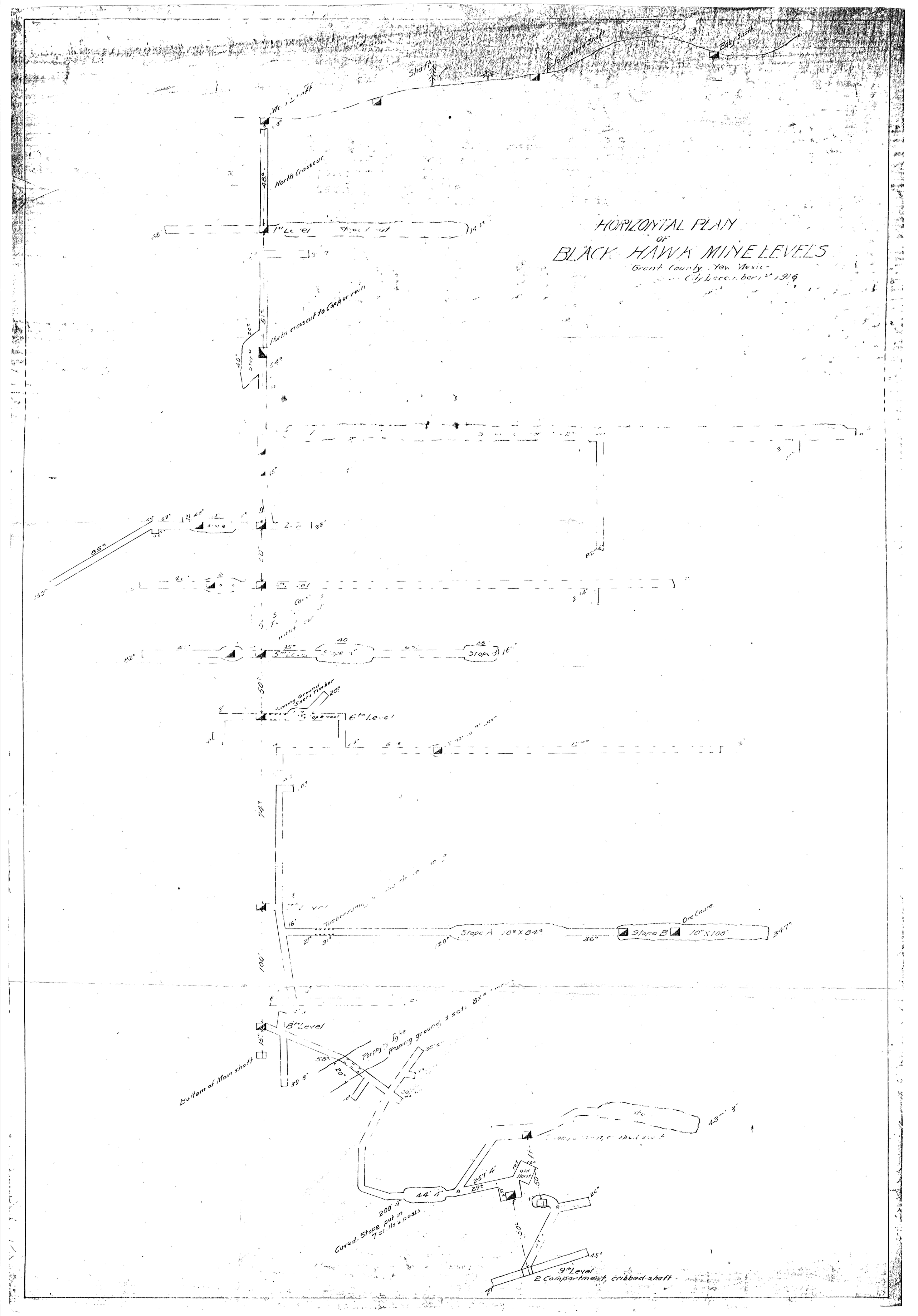
DMA 967

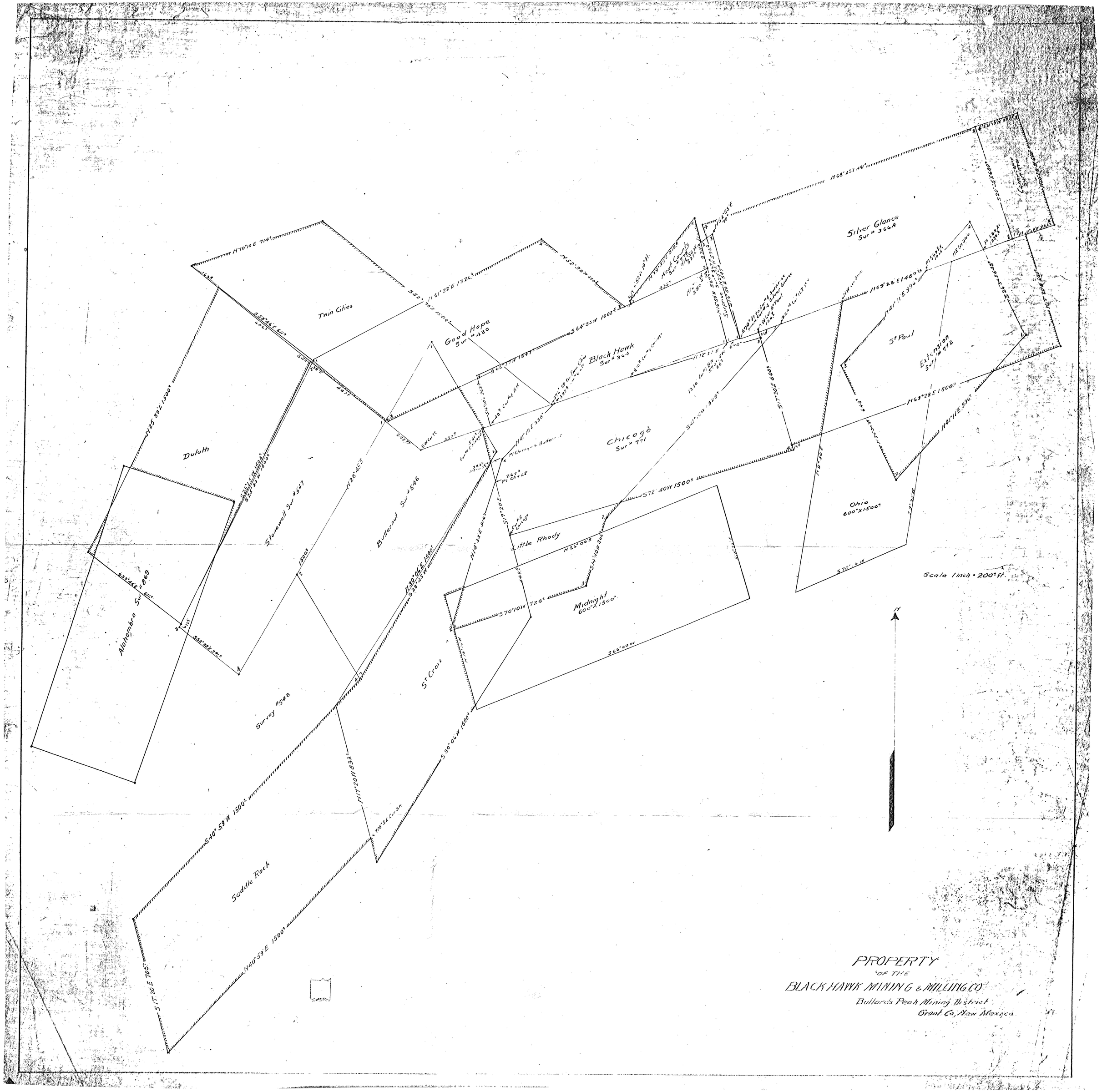
8968

BUREAU OF MINES
WASHINGTON, D.C.

APR 30 1 55 AM '51


HORIZONTAL PLAN
OF
BLACK HAWK MINE
Grant County New Mexico
Silver City, December 1st 1916
Porphyry Dike
Shaft
Road
Engine
Discovery
Shaft
Events Chamber
Baby Shaft
1st Level
2nd Level
3rd Level
4th Level
5th Level
6th Level
7th Level
8th Level
9th Level
Stope
Ore Chute
Engine Room


HORIZONTAL PLAN
OF
BLACK HAWK MINE LEVELS
Grant County, New Mexico
City December 1st 1916
Shaft
Josephine Shaft
Baby Shaft
Main Shaft
North Crosscut
1st Level
North crosscut to Copper vein
Stope
Cover
Mint
5th Level
Running Ground
5 sets Timber
6th Level
Timber Gallery
Stope A 10° X 84°
Ore Chute
Stope B 10° X 108'
8th Level
Porphyry Dyke
Running ground, 3 sets 8X8 timber
Bottom of Main shaft
Old Hoist
Coved Stope put in
7 sets 11s & posts
9th Level
2 Compartment, cribbed shaft


Twin Cities
Good Hope
Sur #490
Black Hawk
Sur #364
Heid County
Silver Glance
Sur #364
Duluth
Chicago
Sur #771
St Paul
Extension
Sur #772
Stonewall Sur #547
Butternut Sur #546
Little Rhody
Ohio
600'X1500'
Midnight
600'X1500'
Alhambra
Sur #869
Survey #548
St Croix
Saddle Rock
Scale 1 inch = 200 ft.
N
PROPERTY
OF THE
BLACK HAWK MINING & MILLING CO
Bullards Peak Mining District
Grant Co, New Mexico

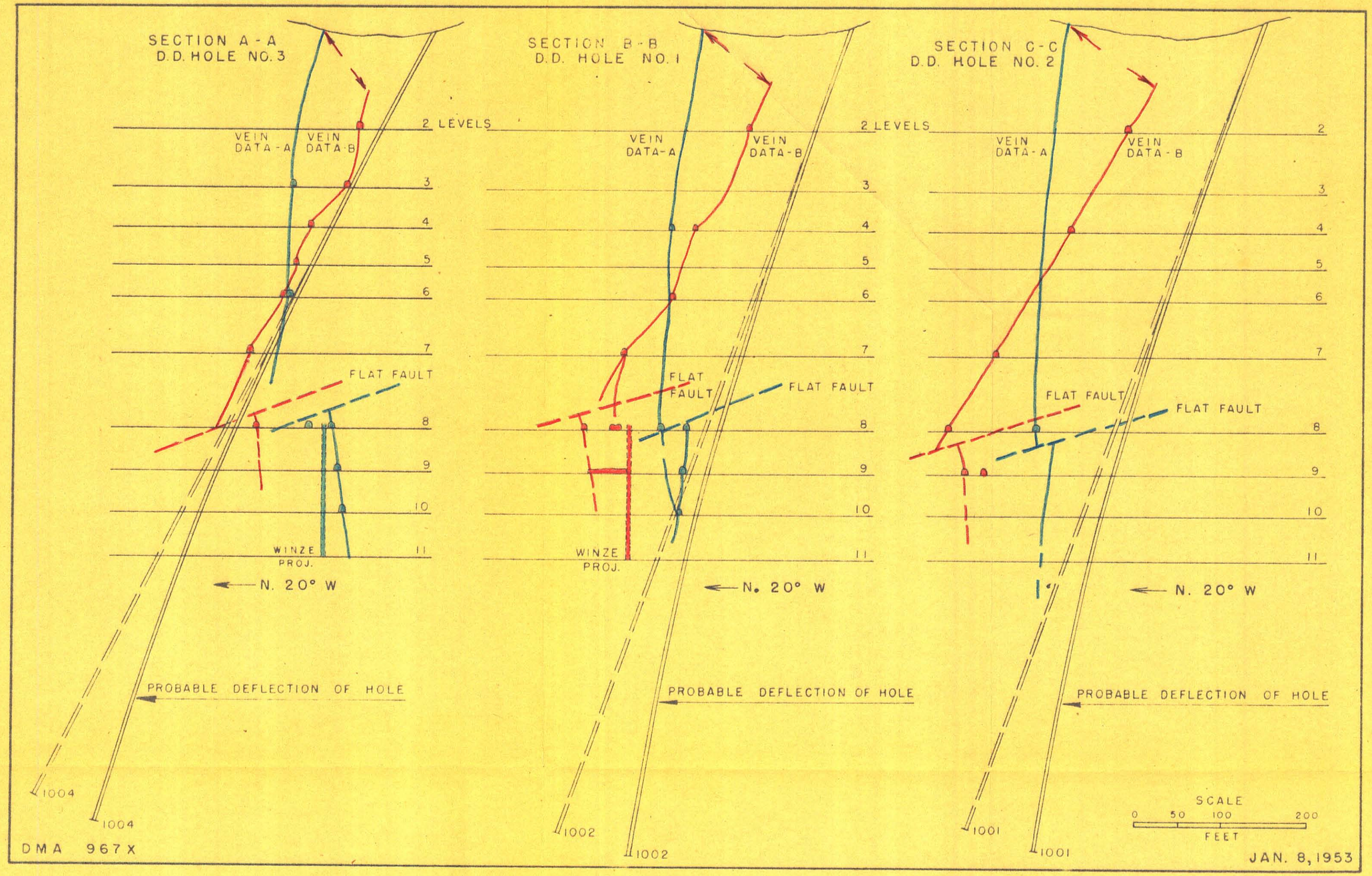



FIGURE 5. - SECTIONS THROUGH DRILL HOLES